





GOVT PUBNS














Digitized by the Internet Archive  
in 2022 with funding from  
University of Toronto







8165

S-1



46

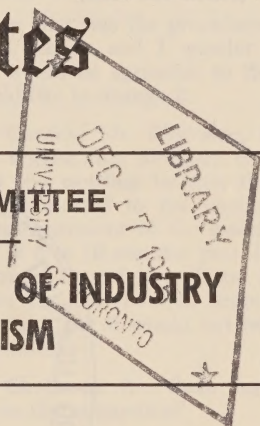
Government  
Publications

# Legislature of Ontario Debates

Legislative Assembly  
//

SUPPLY COMMITTEE

ESTIMATES, MINISTRY OF INDUSTRY  
AND TOURISM



OFFICIAL REPORT — DAILY EDITION

First Session of the Thirtieth Legislature

Wednesday, October 29, 1975

Morning Session

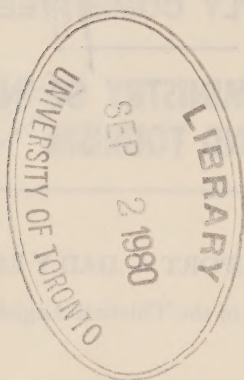
Speaker: Honourable Russell Daniel Rowe  
Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975



A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. (Phone 965-2159).



Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MGS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.



## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

---

WEDNESDAY, OCTOBER 29, 1975

The committee met at 10 a.m.

**Mr. Chairman:** I would like to call the committee to order. Mr. Minister and members of the committee, we have the task set before us, starting this morning, to study the estimates of four ministries. The government yesterday said we have 14 sitting days to complete the estimates of four ministries and this morning we are starting with the Ministry of Industry and Tourism.

Just before we get started—and I see we have a quorum this morning—I would like to say first of all, particularly to the new members, I have been requested by Hansard that if I don't know your names you should please mention your name before speaking so that it is recorded properly.

I believe our first task this morning is to find a vice-chairman. As this committee will act responsibly I will leave it up to the committee to appoint a vice-chairman. I would like to at this time ask for nominations for a vice-chairman.

**Mr. Sargent:** I nominate the member for Cornwall (Mr. Samis).

**Mr. Chairman:** I have a nomination for the member for Cornwall. Are there any other nominations? If there are no other nominations, I would ask all those in favour of the nomination to so indicate. The nomination is agreed to and I state that George Samis will be the vice-chairman of this committee.

**Mr. Sargent:** I vote he gets \$5,000 a year.

**Mr. Samis:** Compliments of Eddie Sargent.

**Mr. Chairman:** The other matter before the committee is the matter of substitution. I believe it is entirely up to the committee, but I would like to read to you what took place in regard to substitution and I would like to get the feeling of the committee if they are agreeable to this procedure. I read as follows the recommendation that was made by the procedural committee to the House last year:

That substitution of members be allowed at all meetings of all standing committees provided that all substitutions are communicated to the chairman in writing prior to the meeting and that each substitution be for the day only.

I believe that was the procedure followed in the last session and I wonder if the committee would be agreeable to that procedure or would like to change it.

**Mr. Cassidy:** Mr. Chairman, I would just like to suggest that the spirit of that be held to, but the wording be that the substitution be communicated to the chairman prior to the commencement of the meeting. In other words, if it is 10 minutes past 10 and somebody comes in and says, "I am substituting," and you are just about to begin, that would be all right, but it would not be required to be in writing.

**Mr. Chairman:** Are there any other comments on that suggestion?

**Mr. Drea:** The commitment is firm that it has to be in writing.

**Mr. Chairman:** Mr. Bounsall.

**Mr. Bounsall:** Just a point here: I thought it was already agreed and mentioned in the House that substitutions would be allowed. We don't have to go through this committee by committee, do we?

**Mr. Chairman:** The resolution actually recommends that "for the present session." That was the first part of the resolution regarding last session.

**Mr. Bounsall:** No, but was there not mention made in the House yesterday and agreement among the party members that substitution be allowed on committees? In which case, why are we going through it committee by committee when it comes up?

**Mr. Drea:** All we want is the format.

**Mr. Bounsall:** Just the format?

**Mr. Drea:** Yes, that's all.

**Mr. Bounsall:** Speaking to that, having been on that procedural affairs committee, I think the format we worked under last session should be the one used here, that notice should be in writing to the chairman before the formal commencement of the committee's business starts for that day.

**Mr. Chairman:** Are there any further comments? If not, I presume that all members of the committee are in favour of the procedure which took place in the last session which means that substitution will be in writing prior to the commencement of the session for that day only. Is the committee in agreement?

**Mr. Cassidy:** I will withdraw my motion, Mr. Chairman.

Agreed.

**Mr. Chairman:** The next matter before us is the matter of a quorum. There are 19 members on the committee. What number do you wish to be made a quorum?

**Mr. Drea:** Six. That is what it has always been.

**Mr. Chairman:** We've had a suggestion that six be a quorum. Are there any other suggestions? I presume that will be six plus the chairman.

**Mr. Drea:** Right.

Agreed.

## ESTIMATES, MINISTRY OF INDUSTRY AND TOURISM

**Mr. Chairman:** The procedure this morning will be to ask for preliminary remarks by the minister. This will be followed by opening statements by the critics from the New Democratic Party and from the Liberal Party and then further comments by the minister, after which we will go into discussion on the votes item by item.

It has been suggested by the clerk that it might be a little easier for all on the committee if we could start on the right and each member give his name. It might be helpful to other members of the committee and to members of the ministry.

The names of the committee members are Frank Drea, Keith Norton, George McCague, John Lane substituting for Doug Kennedy, Tony Lupusella, John Williams, Iain Angus, George Samis, Bud Wildman, Ted Bounsall, Mike Cassidy, John Eakins, Earl McEwen, Eddie Sargent and Sean Conway.

We will begin the estimates of the Ministry of Industry and Tourism. I will call on the minister (Mr. Bennett) for his opening remarks. I hope he will also introduce some members of his staff.

**Hon. Mr. Bennett:** Mr. Chairman, may I say that I'm delighted with the opportunity of appearing before the committee and having the situation where we can present the Ministry of Industry and Tourism to the new members and to those who have returned with us.

Doing the estimates in committee provides an opportunity for me to introduce to you the senior members of the staff of the ministry. I'll take your invitation if I might at this moment, to introduce the people who will be appearing before you at this committee and those who are responsible for the functioning of our ministry.

First of all, there is the deputy minister, Mr. Fred Pillgrem. With him is Mr. Peter York, the assistant deputy minister. In order of the votes that we will be taking in the industry development sector are Mr. Mel Garland, executive director; in trade development, which is vote 2003, Mr. Bill Fowler; in tourism, which is vote 2004, Mr. Fred Boyer; in vote 2005, small business and operations, Mr. Ross Radford; in communications, vote 2006, Mr. Campbell McDonald and in administration, vote 2007, Mr. Bill Ritchie.

In addition to those gentlemen we have Mr. Jim Joyce, who is the chairman of the Ontario Development Corp.; Mr. Jack Brown who is the director of administration for Ontario Place and Mr. Bill Stadelman, the executive director at the Ontario Research Foundation. One other gentleman with us is Mr. Reed Cooper, who is in charge of strategic planning for the Ministry of Industry and Tourism, strategic planning taking in those responsibilities relating to the Foreign Investment Review Act of the federal government and the GATT negotiations which are presently under way.

[10:15]

I've covered all of the areas of the ministry and the various votes and I'm sure that these gentlemen will be pleased to answer your questions as we proceed through the estimates of my ministry.

The estimates relating to the research foundation, as you know, will be found under vote 2002, item 2. This year the ministry is asking for a total budget of \$120,973,000, an increase over last year of \$45,405,000. About \$40 million of this increase is for vote 2009, industrial incentives and development, rep-



resenting increased requirements for loans to both the tourism and secondary manufacturing sectors of our economy. The balance of the increased funds, in the amount of \$5,370,000, is divided between new industry development programmes, the necessary funds in new areas of the ministry and the inflationary factor.

Mr. Chairman, these comments are very short and very general, but I hope we will have an opportunity to review in detail the estimates of the Ministry of Industry and Tourism over the next few days.

If I might be permitted one special privilege here this morning, Mr. Chairman, before we begin discussing the estimates, I want to publicly recognize my deputy minister, Mr. Fred Pillgrem, who retires at the end of October of this year.

Mr. Pillgrem has served under five Premiers and eight ministers in his 28 years of un-failing service to the government of Ontario, and I'm sure many of his talents will be missed when he leaves the service of my ministry and the government.

Fred has been an individual who many, on all sides of the political fence, have leaned on for information, help and guidance. I recall when I became minister on Jan. 15, 1973. I doubt if the Premier (Mr. Davis) could have given a minister a better deputy minister. The new man coming into the cabinet needs somebody to guide him and direct him in the days of learning how a ministry operates.

I want to put on record my gratitude and the gratitude of the government for his unwavering service in his past 28 years with this government.

There are many new members on the benches of the Legislature who may not know Fred Pillgrem and who have not dealt with him. But I can tell you that you are poorer for not having had that opportunity. For those from all parties who have been around Queen's Park for a period of time, I feel very safe in saying they would also echo the sentiments I am expressing here today.

May I join with my colleagues, Mr. Chairman, in wishing Fred good health and that he should enjoy a long life with his wife in the beautiful town known as Meaford on the shores of Georgian Bay. Mr. Pillgrem will tell you that it is the finest area of the Province of Ontario, and wherever you or I might come from is second to that. Mr. Pillgrem, we wish you the very best.

**Mr. Chairman:** I believe Mr. Angus is the spokesman for the New Democratic Party. Mr. Angus, you may go ahead.

**Mr. Angus:** Thank you, Mr. Chairman. I would like to echo the minister's words about his deputy minister. I am one who has never met the gentleman, but knowing the kind of things that I've heard throughout the ministry from people I'm acquainted with, I can only agree with what the minister has said. And maybe that is a good way to start this morning's discussions.

I'm in the difficult situation of having the responsibility of providing my critique of the Ministry of Industry and Tourism after only one week, and finding out only four days ago that I would be leading off the discussions in the estimates. So probably what I will offer this morning are more questions than alternatives. While I do have a reasonable amount of background in tourism, industry is not an area I've been involved in before—and probably that's the area from which most of the questions will come. But, if I may, I'd like to run through them. You may find I jump from one area to another without certain ties between items—but please accept my apologies ahead of time.

These will be very basic questions in terms of understanding the ministry itself and what it's all about. They relate to the report I received last week from the ministry—"Ontario Industry, Trade and Tourism Review"—which I would gather is published not only for the members of the Legislature, but for industry, trade and tourism throughout the province and throughout the world. I have to refer back to that, because it seems to have much more material to relate to, other than the specific dollar and cents figure that we find within the estimates.

One of the things that concerns me is the exporting of our production, and I have not been able to find in a short time the statistics on exports to other provinces. We have great information about other countries in the world and about the amount that we ourselves consume in Ontario, but there is little information available on what goes to Manitoba, Quebec and the other provinces. I would be interested in knowing that, because it would help me to understand the situation in Ontario.

The second item in the report states that the decline in the volume of shipments of live animals, food, beverages and tobacco, and crude materials was about 33 per cent in each case. I am wondering, is this decrease due to the fact that we are consuming more



in Ontario or are we losing markets elsewhere in Canada and throughout the world?

On imports, I'm wondering—are there items that we are presently importing that we could produce in Canada and at what cost? Are we going to have to pay much more? Types of items that come to mind are electronics from the Japanese market. Is it possible to develop that industry within Canada on a viable base? What I'd like to see happen, and possibly it has occurred, is a cost study to determine the expansion of those markets within Ontario and in-depth research as to the viability. Tied in with that, I'm wondering how many of the items that we are importing have been made from our raw materials exported a year or two previously.

On page 8 of the review there were a number of charts relating to exports to the US, western Europe, eastern Europe, South America and Asia, and they give the Ontario picture. What I would like to see is the comparison for the three regions that you in the ministry utilized—the Ontario Development Corp., the Eastern Ontario Development Corp. and the Northern Ontario Development Corp.—because I think that would give us an indication as to the concentration of the exporting groups in Ontario.

Mr. Williams: Mr. Chairman, could I interrupt for a moment? If we are going to be referring to a text other than the material before us, I wonder if all the members could be provided with the text that is being used as a reference? I think we were all given a copy, but we were not aware that it was going to be used for purposes of discussion this morning.

Mr. Angus: Good point, sir.

Mr. Pillgrem: They have already gone to get such texts.

Mr. Angus: I apologize to the other members. Again, I say it is the only information I have to work with at this point, if you will forgive me once again. The one area that I really don't understand was something that I think all parties talked about during the past election—the tie to the United States in the economy of our province. In the report it states that 70 per cent of our trade, which is defined here as the average of imports and exports, is now with the US and that is an increase of 10 per cent over a decade. It also states that our exports were only 23 per cent of our gross provincial product. So 70 per cent of 23 per cent is the amount that we are tied to the US, and that works out

to about 16 per cent by my mathematics. I can't understand why we are tied down so much by the economy of the United States when it seems that so much more of our production goes elsewhere or is consumed within the province itself.

Ontario is allowing five times as much raw material to be exported now as in 1965. During the same period our imbalance of exports to imports of end products has increased  $3\frac{1}{2}$  times. As I mentioned before, are we buying back our natural resources? I am concerned about that.

On page 9 of the report it talks about the Ontario exports from 1973 to 1974 and has the following headings: commodity section; domestic; re-exports; the totals for the two years and then the percentage of change related to the re-exports. By re-exports, does it mean that we are selling to a country which becomes a wholesaler to another country, and should we not be investigating the feasibility of selling directly to that consumer country, the final one? Maybe it goes through certain treatment or manufacturing in that country, but I think it is something that we should be looking at.

There is one item that really sticks in my throat because I have dealt with public relations and advertising for the last year for the city of Thunder Bay. In the review, it speaks very highly of the advertising programmes of the ministry. I have no objection at this point for the type of advertising that is being done. However, I cannot find anywhere within the estimates any mention of advertising other than a joint sharing programme with the new tourist or travel programmes operated throughout the various regions of the province. I would like to know what types of money we are talking about and where the money is going. There seem to be so many possibilities.

It was talked about in the review and if I and the other members of the committee could have that information, then I think we would be in a much better position to reflect and to comment on the estimates per se.

Also, with advertising I follow my colleague's approach — the member for Lake Nipigon, Jack Stokes, the gentleman who had the opportunity of criticizing the ministry in previous years—in concentrating in my own area. The review talks about focusing on the US with advertising for Ontario and for Quebec. However, Manitoba is not mentioned and a lot of the tourist traffic for north-western Ontario does come from the west—in fact from points farther west than Manitoba. Also too, it comes from the northern

states bordering on Manitoba and Saskatchewan. I'm just wondering whether at some time it's been investigated and decided not worthwhile or whether this is another area that the ministry can look into.

The convention services offered by the ministry concentrate on the services related to group sales activities. However, there is nothing to my knowledge that would provide consultation services—in fact, even possibly joint funding with municipalities, private groups or what have you—to develop convention facilities.

I have an excellent example in Thunder Bay right now where the Ministry of Culture and Recreation is funding a feasibility study and concept drawings for a cultural and sports complex to service not only Thunder Bay but northwestern Ontario. I'm wondering if there could be input from this ministry as far as dovetailing with conventions is concerned, because it will logically become a convention centre within Thunder Bay for northwestern Ontario. While it may not equal the facilities we find in southern Ontario, I think it is important to our economy up there.

On the Ontario Travel Association programmes: I am a member of the North of Superior Travel Association—or at least I was while I was with the city of Thunder Bay—and I'm very keen on the type of concept that is being implemented. I think we've seen some successes in other parts of the province and some failures as well, but time will hopefully take care of those. However, I noticed the estimates themselves talk about the basic administration grant of \$30,000 for each of the 12 associations, and then it goes on to say—and correct me if I am wrong—at \$45,000 in cost-sharing moneys, with the basis of 90 per cent by the ministry for northern Ontario, 75 per cent for eastern and central Ontario, and 50 per cent for the rest of Ontario, the assumption that I'm making is that it is a maximum of \$45,000, because by multiplying it by 12, the number of associations, I get the figure of \$540,000, which is in the budget. If that's the case, if it is just a maximum amount that the associations can get from the ministry, it seems to me to be an imbalance to the more affluent and more geographically connected areas of the province.

[10:30]

I realize that \$45,000 or 50 per cent in southern Ontario is not that much—neither is it in northwestern Ontario—when you consider the two areas I am thinking of. The North of Superior Travel Association

encompasses a fairly large geographic area. All you have to do is ask Jack Stokes about how far he has to travel in that group. The kind of communications we have and the problems there, it seems to me, suggest that there possibly should be a preference, not in percentage—I appreciate the fact that we do get 90 per cent funding—but that the allotment possibly could be raised for those areas that do have specific geographic problems. In terms of marketing it is much easier to market Toronto than it is to market northwestern Ontario, because Toronto has so much to offer in one reasonable geographic location. However, in northwestern Ontario either of the two travel associations has 400 or 500 miles of distance to cover and the square mileage is much greater than that and I think they have specific problems.

Another item I noticed in the total estimates—and it is very difficult for me to understand in light of the speech yesterday and the kind of things we have heard talked about as far as cutbacks or a freeze in staffing are concerned—is an increase of approximately \$1.8 million in staff allocation, or salaries and wages, throughout the total ministry, with an additional increase of \$366,000 in fringe benefits. I am wondering, in light of the Speech from the Throne yesterday, which referred to a four per cent cutback, how the ministry was able to get around that comment. I realize that some of these may have occurred before such statements were made, but I would be interested in finding out the number of staff that have been hired in the past year and the types—are they field staff, central office staff, professional, clerical, and so on?

We talked about assisting the small businessman, but yet there are still situations that show there is much to be done and I think that a lot of them are inter-ministerial problems, such as the fact that one ministry takes an approach to a specific area that doesn't follow through with the concepts of another ministry. I will give you an example from my riding.

We have three commercial fishermen who live on Indian Reserve No. 52. They are very small operators; they share one licence for a geographical area, which is very large compared to the size of their operation. However, there is a quota system in that area of Lake Superior that says that so many tons of fish can be harvested a year. Which is fine when you look at it on the surface; however, there is a very commercial, very mechanical fishing operation that within a week takes care of everybody else's quota because it is a shared quota. I am concerned about that



because we have three people who are prepared to work and prepared to harvest fish, but right now they can't even get enough fish to pay for the gasoline and they are put out of work in effect.

I am just wondering if you, Mr. Minister, can talk to your colleague, the Minister of Natural Resources, Mr. Bernier, about these kinds of situations.

Another area is the growing concern among consumers and business people alike about the apparent trend toward oil company-owned and operated service stations. The independent service station lessees are facing increased pressure from what can only be described as unfair price competition. I contend price discrimination exists when a company sells the same amount of gasoline to two competitors at different prices. The problem posed by company-owned and operated gas outlets is their ability to consistently undercut the retail price to the point where the lessee or independent must come down in price and reduce his profit margin. This would be fair if the company-owned and operated outlets operated under the same cost restraints as the independent lessee or operator. In fact, there is no evidence to suggest that company-operated outlets are paying their own way.

I am concerned about the present trend toward company-operated outlets. The great efforts presently being spent by organizations such as the Canadian Federation of Independent Business, the Consumers' Association of Canada, the Ontario Retail Gas Association, and by many United States legislators suggest that I am not alone in my concern. There are many people in this province and on this continent who are concerned about the vertical integration of the oil industry.

Mr. Minister, are you planning to take any steps to ensure that oil companies will divorce themselves from the operation of gasoline outlets; or are you planning to take any steps to create a fairer competition between service stations owned and operated by the oil companies and those not operated by the same companies?

One small area which has caused some concern in my area—and I would assume in other parts of the province—is the signing programme of the Ministry of Transportation and Communications, particularly as it relates to food and fuel directions for travellers coming in. We have a number of entrances to the city of Thunder Bay and only one or two of them are allowed to be marked; yet there are a number of service areas which need the business, which need the support of the travellers to survive economically.

I am wondering whether, throughout the next month or two, you would have an opportunity of talking to the Minister of Transportation and Communications and possibly getting your staffs together to come up with a policy that not only takes care of the problems of eye pollution on the highways and traffic problems, but takes care of the problem of the businessman who is looking for increased traffic into his area.

One other area I am concerned about, and I know, Mr. Minister, that you are too, was the recent revelation that Ontario contractors and manufacturers do not have the option of bidding on the construction programmes or the supplies for the Olympics. I am wondering if you have yet received a reply from the federal minister, Don Jamieson, to your telegram and, whether you have or not, what further action you and your government are prepared to take either to ensure at least that our contractors and firms have the opportunity of bidding and competing with their counterparts in Quebec; or whether there should be some type of reaction or approach taken to Quebec contractors in Ontario. I don't know the answer but I would be interested in talking with you about it.

Ontario Place has been in the news in the last week or so, particularly about budgets. I am not going to dwell on the particular aspect per se, however, I have noted that the deficit—keeping in mind the decrease in the capital expenses—at Ontario Place this year is costing the taxpayer approximately \$575,000. While I was not able to get accurate figures for this summer season, the comment I was given was: "It was slightly under three million, but we won't give you the exact figures. We are not in the numbers game"—which was interesting. They also said: "We are not the CNE." I am not sure what that means; I haven't been in Toronto long enough.

However, I have noticed that there doesn't seem to be any major increase in the attendance at Ontario Place. It seems to be relatively stable within 20,000 or 30,000 a year. I have noticed some changes in the Christmas programmes—in fact almost either doubling or halving, I am not sure which, over a period of a year.

Ontario Place is worth a lot of money in terms of tax dollars. I think a number of the programmes are excellent and I'm just wondering if there are other approaches we can use to safeguard the taxpayers' dollars, and not go further into debt with the operation.



One final point: In the mini-budget speech, I believe it was, this spring, the government decided to reduce or rather eliminate the sales tax on the manufacturing of machinery in Ontario in an effort, I believe, to stimulate employment as well as the economy; plus eliminating the sales tax on automobiles which will run out this year. I noticed that previous to the election they were using the phrase: "Get them while you can, the sales tax is off now." Now they're saying: "It runs out at the end of December, buy now." I think it has really contributed well to the advertising market of the car industry.

However, I noticed in the *Globe* this morning an article about the federal government's move to establish a task force on the auto pact. The comment in there—one which I have followed up and found it has been said a number of times—was that the automobile situation in Canada and in Ontario has been good all along. In light of this, I'm wondering how many jobs have been either safeguarded or added because of the elimination of the sales tax in the automobile industry and in manufacturing machinery.

I thank you, Mr. Chairman, Mr. Minister and members of the committee for indulging me. It's a great honour for me to speak here for the first time. I hope my questions have been valid. I have the interest of the ministry and the people of Ontario at heart because I believe in the kinds of things they are attempting to do and I offer my services to the ministry to assist them in doing that. I will, from time to time throughout the discussion of these estimates, ask more specific questions about specific items, hopefully to gain information again, and possibly to add a check to the ministry in its dealings.

**Mr. Chairman:** Thank you, Mr. Angus. The next speaker will be Mr. Eakins.

**Mr. Eakins:** Thank you, Mr. Chairman. I have a brief opening statement but first of all I would like to join with the minister in thanking our deputy minister for his years of good service to the people of Ontario. As a former municipal person, I know the importance of having continued service from our public officials and I'm sure the people of Ontario have been well served. I join with my colleagues, sir, in wishing you many years of good health, happiness and good fortune.

As the member for Victoria-Haliburton, I am pleased to take part in these estimates on Industry and Tourism. Last February 21, while addressing the Haliburton Highlands Chamber of Commerce, Mr. Minister, you noted my riding has contributed substan-

tially to the province's tourism industry. As you said, Haliburton is one of the major growth areas in Ontario in terms of private cottage growth. In fact our growth rate is faster than the province-wide figures. I mention this to underscore the importance of these estimates. They are important to Victoria-Haliburton, as they are important to Ontario.

On that point let me say I share the minister's concern on the tenders extended by the organizing committee for the 1976 Olympic Games. In particular, I quote from the *Globe* and *Mail* that the only companies who need apply are those having their principal place of business in the Province of Quebec and able to manufacture, etc., in Quebec.

I am sure we all find this offensive, but, Mr. Minister, I cannot agree with your fellow cabinet minister, the Treasurer (Mr. McKeough), who is quoted as saying that as the biggest and wealthiest province in Confederation we just have to live with this. This particular tender dealt with residential furniture and I would like the minister to report to us on whether or not Quebec lab furniture manufacturers are being subsidized by their provincial government on sales outside of Quebec. I have had a number of inquiries on this point and I would like to know if the companies and industries in this province are being undermined, not by competition in the marketplace but by a questionable and unethical provincial mentality.

Let me also mention, Mr. Chairman, that in the *Daily Commercial News* of Oct. 21, a week ago yesterday, there were two tender calls by Quebec Hydro with the qualification that applicants be from Quebec. On the same page there was one from Ontario Hydro with no such qualification, and to my knowledge Ontario Hydro has never operated in this manner. What we want to know from you, Mr. Minister, is whether or not Ontario is getting hit both ways, in tendering and in selling. That is a particular problem that I believe requires immediate attention.

At the same time I must question the huge increase in your ministry's budget. We are all concerned about developing our industrial and tourist base, but it seems to be that in these days of economic uncertainty it is inappropriate to increase our budget from over \$75 million last year to almost \$121 million this year. We cannot fight inflation by spending more. Additional funds earmarked for development are certainly important, but if it at the same time fans inflation to the detriment of all then one must seriously question that development in the first place.

Mr. Minister, in your Haliburton speech you devoted a total of two sentences to inflation. I certainly don't begrudge you that, because that was not your purpose in being there; the topic was certainly different. But the last sentence was certainly an important one, in which you urged everyone to take an interest in this battle which threatens the high standard of living we enjoy in Ontario.

I would simply conclude my introductory remarks by saying that the inflation battle cannot be won by spending more and more year in and year out. Restraint is needed and I hope that restraint will be shown in the pages of these estimates.

Mr. Chairman: Thank you very much. I will now ask the minister to reply to the two previous speakers before we get into the vote item by item.

Hon. Mr. Bennett: Mr. Angus, you mention the annual review, which I believe is a fairly comprehensive review. It is not an annual report but a review of what the ministry has been doing in the fields of tourism, trade and development.

You asked about the figures relating to other parts of Canada, as to what our sales potential happens to be. I recall three short years ago when I first became minister, one of the things that alarmed me was that while we were concentrating on how to export from this province and this country we took it for granted that the domestic market could look after itself. Since that time we have set up within a division of trade a domestic marketing programme and over that period of time we have now secured for ourselves about 1,100 agents whom we have contacted and who are prepared to handle products manufactured in this province for sale in other parts of the country. Our job is not to try to contract with the agent per se, but to see to it that the agent knows what the product is and who the manufacturer is and to bring the two of them together.

I would have to call upon my people in the ministry as to whether we do have an exact breakdown in the dollar sales in each of the provinces of Canada. It is difficult when you think of the number of national companies which buy in Toronto and then distribute across the country themselves.

Mr. Sargent: Are those agents separate from the federal agents in all the other provinces?

Hon. Mr. Bennett: These are private commercial agents.

Mr. Sargent: Then the federal people wouldn't have them either?

Hon. Mr. Bennett: When I say agents I am not referring to agents to the government.

Mr. Sargent: I know.

Hon. Mr. Bennett: They are people in the commercial world whom we have contacted and asked to—

Mr. Sargent: Wouldn't it follow that the federal people and all the other provinces would use the same people?

Hon. Mr. Bennett: Not completely, sir.

Mr. Sargent: There would be a lot of overlap.

Hon. Mr. Bennett: There is no doubt about it, Mr. Sargent, there likely is some overlap. They are likely going to handle a product which is manufactured in Ontario but they're not going to try to find a competitive product to handle which is manufactured in Quebec or the Maritimes.

I think I will come to one of the last points which you touched on, if I might, because Mr. Eakins of the Liberal Party touched on it and it is one which concerns us. It is one which concerns the members from eastern Ontario in particular not only as it relates to COJO or to the Olympics, which we are experiencing at this time, but to a general feeling of purchasing policies in the Province of Quebec.

We have lived with the Quebec Hydro situation for some time, John, and we have tried to get them to come around to it. We will continue to follow up—as we did with Mr. Gillespie when he was the Minister of Trade and Commerce and now with Mr. Jamieson—to see if we cannot find some realistic understanding of what provinces are doing in the way of their purchasing policies. Ontario, I think, has an open policy. We believe in national unity. We do not believe there is anything to be gained as Canadians by isolating other people of this country from participating in business in the Province of Ontario which is business by a Crown agency or the government itself or any of its subsidiaries such as school boards and so on.

In Ontario, as you may, or may not know, we allow a 10 per cent preferential position for Canadian manufacturers—not Ontario but Canadian manufacturers. We have lived by that policy for the last number of years. It was brought in by the former Minister of Finance or Treasurer, Mr. McNaughton. I think it has served us well.



I'm not sure how we're going to turn the Province of Quebec situation around. On the COJO situation, I'm seriously saying, Mr. Jamieson is going to have to take a very direct position. These people are looking for support through the federal government Treasury and, as I said earlier, because this government or this province has allowed the sale of lottery tickets in Ontario we should be entitled as Ontarians, and indeed as manufacturers across the country, to participate in the business which can be generated from that very massive project in Montreal.

**Mr. Samis:** Can I ask the minister if he has had direct discussions with his Quebec counterpart on this very issue?

**Hon. Mr. Bennett:** Let me say that I have raised the question but it doesn't—if I may use the word—interest the Minister of Industry and Commerce for the Province of Quebec to get really too seriously concerned. They see it as an advantageous position.

**Mr. Samis:** Have you had direct discussions with him?

**Hon. Mr. Bennett:** Yes, I talked with Mr. Guy Saint-Pierre, last January I think it was when we were discussing the possibilities of a joint venture by the Provinces of Ontario and Quebec in some other ventures. I would admit that our follow up may not have been as direct and hard sell as it should have been. I still say I believe that what we're working with here is going to have to be good common sense and understanding.

Somebody asked me, if that doesn't prevail, what happens? I'm afraid that if each province starts to take the attitude of Quebec—if Ontario said we will restrict the purchasing of goods to only Ontario manufacturers—eventually we would find the smaller provinces of this country completely out of business.

**Mr. Samis:** I'm not advocating that; I was just asking.

**Hon. Mr. Bennett:** No, I would hope that we would not advocate it in Ontario regardless of our political beliefs.

**Mr. Eakins:** I think our position, Mr. Minister, is right but in the case of Lab furniture manufacturers in Quebec, they do have a 10 per cent advantage in bidding outside of Quebec, say, in Ontario.

**Hon. Mr. Bennett:** The question you asked, if I understand it correctly, was whether Quebec was subsidizing some of its manufacturers. That question I could not answer

positively. We have the belief there are certain programmes made available through the government of Quebec to manufacturers which would certainly put them in an advantageous spot. We look at some of the programmes relating to guarantees in certain commodities they might buy from the provincial government, guarantees of a price over a long number of years; obviously somebody is going to pay whatever raises or inflationary costs are incurred.

**Mr. Chairman:** Excuse me for a moment. I don't want this committee to get off on the wrong foot. I would like the minister to continue his reply and there will be ample time for the members to ask questions afterwards.

**Hon. Mr. Bennett:** On the COJO situation, I can say that Mr. Jamieson at this point has replied acknowledging receipt of my inquiry and my concern; he will get back to me when he returns from the west.

We talked about the possibility of studies in the industry relating to imports and exports. The Canadian government, along with the various provinces, continues to review and have studies on what is taking place and the relationship to raw materials and how much of it is coming back in as finished goods for sale in Canada.

We are concerned, as has been expressed here this morning, with the tremendous volume of trade Ontario has with the United States. When analysis is made very carefully of it, you will find that a good deal of it relates to the automotive industry. Fluctuations within that industry determine or dictate to some extent our volume of business.

One of the concerns we have as Canadians is that the mass volume of our business—and that applies to Ontario—is with five countries of the world. It's incumbent upon governments, whether it be the government of Ontario or the federal government, to try and explore ways of opening up the markets of roughly the other 95 or 100 countries we could be dealing with. We continue to send sales missions out to explore the possibilities of putting Ontario goods on their shelves, or technology or our expertise into their hands.

I will cover advertising more explicitly as we proceed through the estimates—because it is covered in a specific account—but we have been doing a great deal of advertising in the fields of television, radio and newspapers relating to the field of tourism. We've expanded in the last two or three years the advertising programme that has to do with



the industrial aspect and the trade aspect for this province.

Our advertising programme has been basically outside of Canada. For tourism, of course, the bulk of it goes into the United States, because the northern United States produces a very large volume of tourism traffic for us.

We have been looking over our programmes of the last three years in placing a very strategic type of advertising relating to the various parts of the Province of Ontario. In other words, an advertising programme that you might see on television, or hear on radio and see in newspapers in eastern Ontario would not likely be the same one that you have in northeastern or northwestern Ontario, because the markets they are relating to are different.

We've expanded much further into foreign markets, such as Europe and Japan, because we find them to be very profitable and very rewarding markets for us.

The convention centre question was raised, whether we have a convention service. It is one of the services that we have, but it is only a skeleton at the moment. We hope we can develop it to be much more effective and informative and helpful in providing convention information and the details that are required to go out and secure conventions for various communities in the province.

We have been active with a number of communities in advising them and suggesting things to them when it comes to building a convention centre or trade centre, or whatever they might call it. Thunder Bay is one community where we've been very close to them in that very comprehensive all-seasons sports convention programme they've been discussing for some time.

**Mr. Sargent:** What happened to Maple Mountain? Let's hear about that one.

**Hon. Mr. Bennett:** That one is still in a court situation, Mr. Chairman.

The travel associations were mentioned in the opening remarks, and while I recognize that there are 12 of them and maybe not all working as effectively as we'd like to see, they are all in place. While there are some small points of confusion and concern, we have continued to work with them to try and resolve those problems.

As you know, over the last year the maximum amount of money has been increased to try and help them overcome some of the inflationary costs they have been facing. At one time they had a maximum of \$75,000

for the administration and the advertising cost-sharing programme, but they now have \$35,000 and \$50,000, giving them a total of \$85,000.

I appreciate the concern for the number of dollars allowed for the travel associations, with the maximum sum to be increased or expanded or upgraded; but I think when we look at what we've been doing in the whole field of tourism promotion with the local associations over the last three or four years, there's been rather a marked improvement. That's not to say that it could not be further enhanced, except that it will take more money.

However, before that happens I hope that we can continue to do some very serious analysis of the success stories the travel associations are having. We'll continue to work with them. We'll continue to recognize their problems and see what we can do to solve them. I think you have to keep a pretty standard programme with the maximum sum of money that is made available to a travel association, whether it be in central, southwestern, northern or northeastern Ontario. The amount of money we contribute to the travel promotion budget in the northern part of the province is a very substantial portion of the overall budget, while in central and southwestern Ontario it is rather a minor part of the budget programme.

[11:00]

The service station problem is one that was raised in its relationship to the oil companies. I think we are all very much aware of some of the things that are taking place. We do not profess to be experts on it. I don't think anyone in government or outside of it can really consider themselves experts, because the changes that are coming about in the retailing operation are happening much more rapidly than I think was ever anticipated four or five years ago; at least that's the impression from my discussions with people who have formerly been in the oil field. We have watched the retailing situation, and I say openly and honestly to you that we have no plans, nor do I know of any that we could implement, that would restrict—that was the word, I believe, that was used—the oil companies from participating in the retail and/or the final end price. The final end price is something, I am sure, that will be dealt with in the next short period of time by a ministry other than Industry and Tourism.

Signing is a problem, I can assure you, regardless of whether I happen to be in Frontenac-Addington or whether I happen to

be in North Bay or Thunder Bay or Sudbury or any of the other communities, that matter has always come in for the criticism that it is not adequate. But there is one sure thing, that when it does become adequate then I have the other side to consider. Mr. Cassidy will recall in our city in Ottawa people who will claim that it's pollution by signs.

We have to try to find a happy medium and also ensure that in signing roads safety is not interfered with. One of the things the law enforcement officers and others will advise you is not to get too many signs up so that it will impair the ability of a driver to drive safely and find the sign he is looking for.

We have a committee that has been working for the last year or better with the Ministry of Transportation and Communications, a committee consisting of my ministry and T and C, in upgrading the type of signs and approving new installations in various parts of the province. Some of the communities have been satisfied. I would say some communities, regardless of how many we put up, will never be satisfied until every industry in the town is put on the board. I think a degree of common sense and good understanding has to be shown.

I will deal more specifically with Ontario Place when we get into the estimates. The attendance figure is roughly three million and it has been holding within one per cent of the previous year's attendance. While Ontario Place does register a loss, if one was able to analyse the spinoff to all of the other areas of industry, the hotel industry, the restaurant industry and the liquor industry, the sales taxes that are paid on both rooms and on products purchased and the number of people who are brought to this community as a result of Ontario Place, I think it could really be said that it is a valuable asset to the tourism programme of this part of our province. I recognize that it and some of the other tourist attractions that we have in Ontario that are provincially owned are not producers at the till or at the cash register themselves, but by all means they are certainly that for the community they are in.

With regard to the sales tax situation on automobiles and the safeguarding or adding of jobs, very quickly I would say about 90 some per cent of all the automotive industry in this country is located in the Province of Ontario. In discussions the Treasurer (Mr. McKeough) had with people from unions and the industry itself, in view of the number of people that were unemployed back at the time that the sales tax amendment was made,

it appeared a very valuable step for the province to make in trying to get those men and women back to work. As I said earlier, a great deal of our production, at least the original parts manufacturing, moves back into the United States. I have not got the number of jobs but I am sure we can secure those facts and figures for you.

As for the last remark by Mr. Eakins on the overall budget increase; while I recognize the substantial increase in the ministry, it's as a result of people such as Mr. Sargent and a few others who over the years have pressured us to become more active in areas of tourism, development and loan programmes. As you will see, the biggest portion of the increase relates to the field of loans through the development corporations—EODC, NODC and ODC itself. The second portion of the \$5 million I mentioned in my opening remarks this morning relates to the industrial park development programme that we shall be introducing in the House today.

I think I have covered most of the points. I am sure we can pick up those I haven't during the thorough discussion of each vote as we proceed.

**Mr Angus:** If I may, there is one area you haven't covered, Mr. Minister, which if we deal with it separately we are going to get lost; that is the total staff increase across the ministry; we do have an increase of \$1.8 million here.

**Hon. Mr. Bennett:** The \$1.8 million basically relates to the statutory increases and the new contracts that have been agreed to by the employees and the government. Just for the edification of the members here, the ministry came into being in about 1973-1974. The total staffing of my ministry in 1973-1974 was 700; that is, both classified and unclassified. In 1974-1975, the total staff rose to 701. In the current year, 1975-1976, we are at 679, and the adjustment figures we have been given to reach by the end of March in this fiscal year is 662.

There is a maximum provision in the estimates for the number of jobs, the contract awards and the inflationary factor. There was no increase in staff, as you can see by those figures.

**Mr. Chairman:** That completes the opening remarks. We will now go to the votes item by item, and I hope it will be agreeable with the committee that we take each vote and each item separately.

We will start with vote 2001, on page R48. I realize that the programme description says:



"This programme includes the overall planning and direction for the ministry." It's a broad subject. I would like to ask the members of the committee to try to keep their questioning as close to this as possible as there will be ample opportunity through the other votes for other subjects.

Who would like to be first? Mr. Eaton.

On vote 2001:

Mr. Eaton: I would like to get into some discussion regarding strategic planning and the actual role and aim of this group. There is quite a bit of increase in this item.

Mr. Chairman: Excuse me, I suggested that we proceed item by item. Is it the committee's wish to talk about both these items at one time?

Mr. Eaton: It is all part of the main office.

Mr. Cassidy: Let's discuss the whole vote at the same time, Mr. Chairman.

Mr. Chairman: The whole vote? Fine. All right, proceed.

Mr. Eaton: I wonder if the minister could give us some indication of what they are doing in this regard, what the aims are and if some of the work involves looking for opportunities for new trade positions, new places that we can develop trade in outside countries. Does it look at the possibility of replacing some of the imports we have coming into this province? Would you give us sort of an outline of what you are doing?

Hon. Mr. Bennett: You will notice that the estimate is \$310,000. Previous years' estimates indicated strategic planning but really didn't cover full years because they were not in complete operation. I will very quickly outline strategic planning and then ask Mr. Cooper to give maybe more detailed information to the committee.

Strategic planning is long-range planning and development for industry in the Province of Ontario, and will include trade development. The responsibilities that have been given to them in recent days—and they are very serious responsibilities—relate to the Foreign Investment Review Act. A company in Ontario that wishes to dispose of its assets to other than a Canadian company, according to the regulations of that Act of the federal government, must apply for the right to sell to the foreign company. Once that is done then the government of Canada will come to the ministry and request our position in regard to this particular takeover or sale.

Mr. Cooper's people then must set about trying to get all the facts and figures, details, background and understand completely what is going on.

I suppose I could throw in one example that has likely had more newspaper coverage in the last several months than any other; that is the Westinghouse-White-General Steel Wares of London possible takeover; a two-way battle, I suppose it would be better described.

Our ministry was called upon to analyse in great detail what was going on and how it would affect the economy of Ontario in the long term. I don't think you can be completely parochial in your outlook. You must also have the opportunity of looking at how it would affect the economy of Canada as well if it is to be taken over. That is a very serious, very important and very time-consuming operation and I can say this to the committee, it is going to become even much more time consuming, because we are becoming much more scientific in how we analyse and explore what these companies want to do and the number of cases that are coming before us under the new section is going to grow tremendously.

Another area that Mr. Cooper's people in strategic planning have the responsibility of at the moment is the GATT negotiations that are taking place on tariffs universally and how they are to be shifted or adjusted whenever that agreement is reached some years down the road.

Mr. Cooper's people, along with some outside help, will continue to analyse every step that is suggested either by the industries in this country or those that are proposed at the GATT negotiations and how the long-range implications will affect the possibilities of two things—the further development of industry in the Province of Ontario and, more important, the trade opportunities that we would hope would continue or expand for industries in the Province of Ontario.

We have had difficulties. There is no doubt about it, some of the importation that is coming into this country is a result of very favourable tariff positions—favourable to the point that it doesn't really pay anyone to set up a plant in Cornwall. I am sure Mr. Samis can tell us about some of the situations in that community. As mentioned earlier, the electronics industry has gone through hell on earth as a result of the tariff situation that prevails in Canada and the protections that are afforded to the electronics industry.

Mr. Cooper's people will now have the job of trying to gauge the effect in Ontario of



whatever Canada happens to accept as its position at GATT. This will put us in a better position to argue a case if we believe that it is not in the best general interest of the producers and the public of this province.

I am not going to say that we are going to win every case, because we certainly won't, but with the programmes that Mr. Cooper has under way through strategic planning it will put us in a much more credible position to bring Ontario's position forward with some clear understandings of where we are going to. I don't think, from what I have been able to read, that our province or any other province in the past has been in a position where it could put a position really firmly before the federal government. I will ask Mr. Cooper if he will expand.

**Mr. Eaton:** Before you go on, could I ask: If an individual industry came to your ministry and wanted its particular situation analyzed, would that be part of the job of this committee or are you just doing it on a general basis?

**Hon. Mr. Bennett:** Mr. Eaton, that would really be under another division of the ministry. Our ministry would offer that service but not under strategic planning. Strategic planning does it on a very general basis for what affects the economy of Ontario. Individual companies are dealt with through our industrial sector position, but we would analyse his problem and try to assist him both in production, in sourcing material, in financing, trade operations or whatever else it happens to be that's plaguing him at the moment.

**Mr. Chairman:** Do you have anything further to add, Mr. Cooper?

**Mr. Cooper:** I was just going to say the minister has covered the strategic planning sector very well. In addition to a couple of the detailed things that were being done, the only two other things I would add is, first, a look into the total manpower organization of the province. As you know, this is a very serious problem—how skilled labour will be provided in the coming years. The other thing is the question that was in the paper yesterday, the Porter commission on energy policy. That is something that we have been looking into as well, but I think the minister has covered most of it, unless you have some detailed questions.

Generally speaking, we are concerned with three things: overall policy as it relates to the ministry, its effectiveness and long-range planning. What we're designed to do is to see what is out there and try to estimate

what will happen out there in the next six months to five years or so—perhaps 10 years, depending on the issue involved—and how that would relate to the ministry and its various functions.

[11.15]

**Mr. Eaton:** Does strategic planning—and you are referring to the manpower available—get into regionalization, whether industry should be going into eastern Ontario and northern Ontario and the planning of where industry should be developed in the Province of Ontario?

**Mr. Cooper:** To a certain extent. But what I meant by manpower was really the shortage of skilled labour available for our industrial development, the question of retraining of manpower, what would happen in the reverse sense of layoffs and what should be done to put these people into other industries and for them to be productive. Certainly it is part of the regional dispersment plan as well.

**Mr. Eaton:** For instance, in looking at the development of the new industrial park in eastern Ontario, are you looking at what skilled tradesmen may be available in that area or are you looking at what needs there may be for industries that could locate there to have to relocate staff in that area?

**Mr. Cooper:** That would be part of it, but this would be in conjunction with every aspect of it. All divisions within our ministry, particularly the industry division, are as close to that as anybody because, as you will see in the following votes, the division of industry is responsible for that specific industrial programme, but we would certainly assist them in that.

**Mr. Chairman:** Mr. Norton.

**Mr. Norton:** Mr. Chairman, my question was just dealt with in Mr. Eaton's supplementary question.

**Mr. Chairman:** Mr. Eakins.

**Mr. Eakins:** I understand that last year's increase included \$50,000 for outside consulting studies. As a new member, I was just wondering whether or not a report was tabled as a result of this consulting work and if this year's increase is for more consulting work.

**Mr. Cooper:** The answer to that is that we have not got back the studies yet. We have done three. One was basically on the foreign investment aspect.

You probably recall that there was a report by the select committee on economic and cultural nationalism and at that time a request was made to have all ministries within government react to that. Our ministry, the Ministry of Industry and Tourism, I would say was more interested in this than any other ministry, plus the fact that the Ministry of Industry and Tourism was designated by cabinet to be the point of contact with Ottawa. So we were concerned with the various comments of the ministries and at that time we hired a consultant to collect all the comments that came back from the ministries. It is already put together and the report is into cabinet now. It has not been distributed to the public yet and we are trying to go through it.

The other two studies were in the nature of long-range planning, divided into two parts. In one, as I said before, we tried to identify the major issues like inflation, energy shortages, manpower shortages and so on. We just listed these things and tried to see what effect they would have in the coming years on the whole question of industrial development, trade policy and tourism. Once having asked that question, the third study related to what is the best way to accommodate these changes. Although we have not come to any policy, what we are toying around with is the fact that maybe in our economy there should be more large firms in the nature of multi-national firms. We were really trying to find out how viable that was in our economy. These two studies are on their way to us at this point in time.

**Mr. Sargent:** Mr. Chairman, in this vote it says, "This programme includes the overall planning and direction for the ministry." God help them, they need all the help they can get.

We have here 33 hours to cover all of these votes. What we're doing here, I don't know; I don't know what we can hope to accomplish here, because—in the kindest way I can—this is a list of computerized crap. That's all it is. It doesn't mean a thing to us here, because it's all money that's in the process of being spent, and what this exercise is for I don't know.

What do we hope to accomplish? If we want to cancel a vote here, we in the opposition have the majority here to vote it down—any vote you want.

Getting back to this vote, the overall planning and direction for the ministry, I suggest that this whole exercise is that we are going to talk and make speeches in the hours that

we have here, and we're not going to accomplish a thing that will be meaningful.

For example, we have here strategic planning. They did things like advising us on Maple Mountain. It was going to cost \$70 million up in Timmins someplace. God knows what that cost was when it was called off. That's strategic planning.

Here we have a department which, in my estimation, was initially created to service a political pork barrel and we now have the minister asking for a 66 per cent increase in spending—an increase of \$46 million in this department. He wants approval for \$121.9 million at a time when this province is in the worst mess it's ever been in.

For example, a year ago I asked John White in the House what his deficit would be for the year. He was the provincial Treasurer then. He said his deficit would be not a deficit but a surplus of \$320 million. Then 374 days later we are in a position where we have a deficit of \$1.8 billion. He was 2,000 per cent wrong.

Insofar as sticking to budgets or estimates goes, I say this whole thing is in the category of an endangered species as it were. What are we talking about? Are we going to go through these estimates and talk about an increase in each vote? I respect the fact that you're going to try to carry through with the government policy in a make-work programme for all of us sitting here, but it's not going to be meaningful at all.

In the few moments I have here I want to say if strategic planning is going to be meaningful it's got to be fair and equitable. I'm sorry to see Fred Pillgrem going. He's been a great man in government. But the only reason he was put in this minister's department was because he was the best man they could find in government to jack this department up. I say what we have here is a big pork barrel.

I've been sitting here for 12 years, and not once in 12 years has a loan that I have recommended been approved by this department. You know that, Fred, and you know that, Mr. Minister. That's the way this department works. It's the biggest joke and the biggest mess I've ever seen, that you can get all these people together to spend \$121 million of our money.

I just want to say that we must decide what we're going to do. We're never going to cover all of these votes. We're going to talk through each one. The new members are asking good questions, but insofar as being meaningful is concerned, this money is in



the course of being spent now. We can't change anything. It's a make-work project we're here for.

**Mr. Chairman:** Do you have any comments, Mr. Minister? The next person who asked to speak was Mr. Conway.

**Mr. Conway:** My question relates to the general area of planning and direction for the ministry. It's a particular concern of my riding and my county; that is Renfrew county in eastern Ontario. We're deeply concerned about the direction of the overall planning for this ministry, in particular as it relates to the status of what I'm sure, Mr. Minister, you know as being the general development agreement for Renfrew county.

Yesterday I listened to the Speech from the Throne, and on page 3 we were told that we can expect amendments to the Municipal Act for the establishment of industrial parks in eastern Ontario among other areas. Surprisingly and interestingly, in the early days of September, 1975, in the city of Pembroke, you, Mr. Minister, made a statement that Timbertown would be begun as part of an overall programme.

I want to know today and I want to find out very quickly because we have had this general development agreement, as I understand it, on the desk of the Ontario government now for 13 months. It has been given approval by the federal government; submissions have been made by various and sundry there will be some respect paid to the further—seems to be little or no action forthcoming from the Ontario government.

I want to know very quickly and very thoroughly what is the status of the general development agreement which we, in Renfrew county, regard as vital to our economic growth and development; a growth and development which is contingent upon industry and tourism. Tourism, of course, is very central to our development because we are on the perimeter of Algonquin Park. My question to you, Mr. Minister, and to the Ministry of Industry and Tourism, is, can you assure us there will be some respect paid to the furtherance of the general development agreement for Renfrew county?

**Hon. Mr. Bennett:** Mr. Chairman, the general development agreement for Renfrew county, I know, has been under discussion for some time. I trust the member realizes that the signing of the agreement does not rest with the Ministry of Industry and Tourism but with TEIGA. We do have an input to TEIGA on aspects relating to the develop-

ment agreement and how it will affect industry or tourism in the county. We have made our position known to the minister and I would have to say to the member that his question should properly be directed to the Treasurer and Minister of Economics (Mr. McKeough). We have had our input; I know there has been some discussion with Ottawa in recent months. In the last month or two exactly what conclusions they arrived at from either side, I am not sure.

**Mr. Conway:** My concern is that the general development agreement as it has been before us involves the Timbertown development which you have addressed yourself to. It involves these industrial parks programmes. What I want to know is—is the government prepared, in your ministry and in other ministries, to proceed piecemeal first without giving the general development agreement the attention I think it deserves?

**Hon. Mr. Bennett:** When your reeve and warden were asking me about Timbertown—and you know there are some differences of opinion on where it should be located—

**Mr. Conway:** Very substantial differences.

**Hon. Mr. Bennett:** —I said we were prepared as a ministry to go on with the study (1) on the effectiveness of Timbertown and its economic position in the community; and (2) where it should be located. If the development agreement was signed we could provide for it, it would become part of the development agreement and the financing but we were prepared to move forward before the development agreement was signed.

**Mr. Conway:** Let me leave this comment with you: We regard this, certainly in Renfrew county, as vital and immediate. The time period for this is beginning to run out and I certainly speak for the people in my county who would very dearly appreciate some immediate action from your ministry and related ministries in this respect. It is a question of overall planning and direction and I am getting concerned that some of it is starting to filter out piecemeal. That is my general comment on that.

**Hon. Mr. Bennett:** I can only give you the assurance that Timbertown—I know its viability or the contribution it can make to the county. I am sure that if you or I were to select a location, in the eyes of a great number it wouldn't be the right location.

**Mr. Conway:** I am in some disagreement with you there because I do believe the



government, by making the announcement in the middle days of September, 1975, made it an issue which it was probably not going to be. Of course, we had an election campaign under way; to come to Pembroke and to make the statement at that point in time, I think, was needlessly dangerous and certainly inflammatory to the local debate on the location of Timbertown.

**Hon. Mr. Bennett:** Mr. Chairman, rather than get into all the election replay, Mr. Conway will recall very clearly that it was his reeve and his wardens who had a difference of opinion.

**Mr. Conway:** It was the timing of your visit though, Mr. Minister; and your statement on that particular debate, I think, is something over which you had some control.

**Hon. Mr. Bennett:** No, I had been asked by the county council what we were going to do. I said we would take it and study it and we would make sure that the location—I assured the warden and the reeve at the time that I couldn't guarantee either of them that it was going to be in the location each wanted because they were not looking for the same location.

[11:30]

**Mr. Conway:** Thank you, Mr. Minister.

**Mr. McEwen:** In February, 1975, there was an announcement that 10,000 acres of land would be purchased in the Prescott area for industry. My question today is: Has there been a consulting firm employed to plan this development? What type of development will take place? What type of industry is planned and what effect will it have on the balance of the municipalities in the province in terms of industry?

Since February, there hasn't been any further information forthcoming on this so-called very important announcement. Is it possible that this 10,000-acre project may have a great effect on other plans in the province for industrial parks?

**Mr. Chairman,** I may be out of order with my comments, but I take it this morning that there have been a good many political speeches made. However, I believe this is of very serious concern. It is the opinion of a good many municipalities that funds for this 10,000-acre purchase—if it's proceeded with—are funds which could have been directed to other municipalities to allow the establishment of industrial parks to benefit municipalities in their own areas.

I will also refer to the minister's comments made in Napanee in August, 1974, that X number of millions of dollars would be made available to municipalities to establish and develop industrial parks. That was announced in August, 1974, and we didn't hear anything further about money being available until September, 1975. I'm asking if the \$50 million mentioned is included anywhere in the budget which we are proceeding with in this session? How could it be included if it was only announced in September, 1975?

**Mr. Chairman:** I might say that this question should properly have come up under vote 2002. If you wish to answer it, Mr. Minister, I shall leave that up to you.

**Hon. Mr. Bennett:** Mr. Chairman, maybe we should deal with it in a very general way at the moment. The assurance has been given time and again to municipalities across the Province of Ontario that even with the massive land purchase in Spencerville, and the anticipated ones in two or three other locations in the province under the Ontario Development Corp., in no way would it interfere with any moneys available for the specific development of municipally-owned industrial parks.

I will reintroduce the bill into the House this afternoon which will allow the development corporation to participate with municipalities in lending funds for infrastructure requirements within the municipally-owned industrial park. I want to emphasize the word "within." We are not providing, through the ODC, funds to bring sewers five miles down the main street to get to the industrial park. Our project is to try to get the land which is known as industrial land serviced and available for industrial use.

I repeat that these are massive land programmes for provincial industrial parks for industries which, I am sure, Kingston city and various other communities would not want within their boundaries and would not likely have ample acreage to accommodate. That is the purpose of those massive industrial provincial parks. They will not interfere with our participation in helping municipalities put their land on the market serviced and ready for sale.

**Mr. Angus:** I have a very short question. I'm wondering whether, within this vote, there is money allocated for advertising?

**Hon. Mr. Bennett:** No.

**Mr. Angus:** None whatsoever?

**Hon. Mr. Bennett:** None whatsoever.

**Mr. Cassidy:** I have two things. I wanted to ask the minister about this question of industrial strategy for the Province of Ontario, or an industrial policy for the Province of Ontario. I was interested, in listening to the expositions by himself and Mr. Cooper, that there wasn't specific mention of that; yet my understanding is that if this ministry isn't responsible for developing industrial strategy for the province, no other ministry is. Perhaps the minister could comment a bit on what are the developing lines of industrial strategy that he as Minister of Industry and Tourism sees for the Province of Ontario?

**Hon. Mr. Bennett:** Yes, we are one of the important ministries in helping to design and develop, strategic planning or sector analysis of industrial development in Ontario. If I might, I would like to go back about a year and a half or two years ago, when one of the discussions we had at a federal-provincial ministers' conference revealed that no one in Canada, including the federal government, really was trying to do a sector analysis or whatever you wish to call it. The Province of Ontario decided that if we were to have any meaningful input into further federal-provincial discussions, and if we were really to try to determine where the shortcomings of industry are in this province and where we can supplement industry to make it a more complete programme, then we've got to have some detailed analysis.

We undertook to study—and correct me if I'm wrong—21 or 22 sectors of industrial operations in Ontario. I might say, in compliment to the federal government, that over the last year or 15 months they have also undertaken a federal study of a similar nature. I also recognize that the Province of Quebec in the last six or seven months has decided that it should do the same in that province.

We will have 22 reports which will clearly indicate, in the first release of them, what we've been able to draw from the market position: the industry as it exists, how it exists, the shortcomings and the areas of further input. These reports, in their initial publication, will be released publicly but more specifically we will try to get them back to the people in the industrial community to have their people do analyses and to find out whether our reports really have all the credibility they should or whether there are areas we've overlooked or there are areas that should be strengthened with more input. Therefore, when we sit down with the federal

government and the other governments of Canada we can try and design, first of all, a strong provincial position but more realistically, I think, where are we going nationally in the development of our industries. It is a long-run programme. It is not one that is going to be resolved overnight, Mr. Cassidy.

**Mr. Cassidy:** The first point then is that after 30 years of Conservative government in the Province of Ontario there is no industrial strategy now, but you are starting to work on it. Is that correct?

**Hon. Mr. Bennett:** I'm talking about sector analysis. We've been concerned, and I think every government in this country, federally and provincially, has been very concerned about getting industry into its province and developing meaningful employment opportunities for the new people coming on the market. We realize now if we were to succeed in extracting production or manufacturing firms from other parts of the world, we are going to have to zero in on them with more detailed specific information and that's what we are doing to accomplish it.

**Mr. Cassidy:** You talk about sector analysis, but are there other aspects that the ministry sees in terms of developing industrial strategy? For example, there were a number of points that were made in the preliminary report of the select committee, which talked about the implementation of industrial policy requiring a careful mix of policy tools, including tax and commercial policies, development of capital markets, promotion of industrial rationalization, business assistance programmes, foreign ownership and competition policies and, dare I say the words, government enterprise where appropriate. Are those subsumed in your sector analysis? Are you working in these areas as well?

**Hon. Mr. Bennett:** Right.

**Mr. Cassidy:** Have you any results at this point or is it still just at the beginning?

**Hon. Mr. Bennett:** We have some sector reports now completed—not all of them.

**Mr. Cassidy:** Are they public?

**Hon. Mr. Bennett:** At the moment they are in the field. They have been distributed, yes.

**Mr. Cassidy:** They are public?

**Hon. Mr. Bennett:** Yes.

**Mr. Cassidy:** Could we have them?

**Hon. Mr. Bennett:** Yes.



**Mr. Cassidy:** Thank you.

**Hon. Mr. Bennett:** Anything that is public this committee and anybody else in Ontario is entitled to, Mr. Cassidy. We wouldn't hold it back from the committee specifically.

**Mr. Cassidy:** That's good. I'd like to ask again about—

**Hon. Mr. Bennett:** Mr. Chairman, may I just interrupt here for a moment? I think we are getting into what is truly the division of industry, which doesn't relate to the central office programme. It relates more, if I may indicate, to the division of industry and Mr. Garland, who is the executive director and is completely knowledgeable in much greater depth, I'll admit, than the minister.

**Mr. Cassidy:** I still want to concentrate on this item because long-range planning was specifically mentioned. I would like to know the long-range goals of the ministry. What is the long-range strategy, if I could use that word, of the ministry, in relation to the location of industry within the Province of Ontario?

**Hon. Mr. Bennett:** I think the position of our government has been very clearly put. The one thing we do not want to see—and I think we have pretty well a 100 per cent agreement on it—is further development of new industries in the central core area of the province.

It has been our effort through our studies and through our analyses of certain availabilities, land and work force and so on, to try to move some of the industries that come to our attention out and away from central southwestern Ontario. I am not going to sit here and tell you we've been all that successful at it, because there have been a number of other factors that have also interfered, such as municipalities which have gone out on their own and have been able to lure an industry into their community. Even though I at times would suggest that it might not be the best location, the fact is that they have gone out and they have been able to secure an industry, put it in place, on industrial land that has been properly zoned and serviced for some time and there it sits and it is producing.

But where we do have an input, where we are able to talk to the industry before it comes, we have been using our abilities to show them the advantages of not being in this part of the province, at least from a cost point of view, and that the availability of other services over and above those that make

the industry tick can be much more easily obtained in some of the communities in eastern and northern Ontario.

Then of course we have the opportunity of using, to some degree, the development corporations—the northern and eastern Ontario development corporations—through their very specific programmes to assist industry through some special loan arrangements to move into those areas where we believe its contribution to the economy would be much more realistic.

**Mr. Cassidy:** If I could pursue this a bit more—I'm trying to find the figures right here but I can't find them—take the development corporations, for example. Well over half of the jobs which are claimed to be attributable to the work of the development corporations over the last six or seven years have been created in south central Ontario, which doesn't suggest a strong emphasis on moving jobs away from this area.

Perhaps the minister could also talk about what techniques are being used in order to discourage the further development of new industries. What has the ministry said about the provision of industrial land, for example, within the Metro Toronto region? What has the ministry said about the creation of new work space for service industries in the Metro Toronto region, specifically the enormous development of office accommodation for service industries also within 25 miles of downtown Toronto? Has the ministry been involved in even jawboning about these kinds of developments? And if not, why not?

**Hon. Mr. Bennett:** Mr. Chairman, we are getting into some very general policy, because now we are getting back into the municipal councils through their planning operations and what they believe the land use should be in their communities.

We do get involved in offering advice and guidance to municipalities on where we believe industrial parks would be properly located in their community, from the points of view that we have through previous analysis. We have also indicated at times the amount of industrial acreage that we believe should be made available in various parts of our province and in various communities. When it comes to zoning, you will appreciate that that happens to go to the Minister of Housing for approval of land for use in the industrial community or commercial areas.

We, at times, will be requested for our view, but I would say very seldom.

**Mr. Cassidy:** Perhaps I can comment a bit further then. Surely if you are talking about



industrial location strategy, the ministry should have a much stronger view of where it wants industry to be located and what it is necessary to do about it. Over the last 15 or 20 years, the rate of job growth and the population growth of the Toronto-centred region has been something like double the provincial average and triple the rate of growth and population and jobs in either northern or in eastern Ontario. The government has clearly not done a heck of a lot about it. It has simply allowed those things to continue.

We are open to last-minute changes of policy; in other words, maybe it should not be expected that these changes go back five or 10 years. But I would have hoped that the ministry would have developed a view now, not just the general kind of statement that you don't want further development of industries in the central core of the province but also how to implement those changes.

The NDP has said pretty specifically that we now have to start talking and debating publicly about means by which you discourage the creation of industry and of new jobs in the areas which are suffering from over-rapid growth and over-rapid concentration in population, that is within 50 miles of Metro Toronto. That should be complementary to policies to increase job creation and growth of population, of retention and growth in the less-favoured parts of the province. But the government has never been willing to step in with the essential complement to policies to entice industry to the outlying areas; that is, to discourage growth of industries in the central region.

The metropolis, which is Toronto, continues to grow because of all sorts of economic factors. The government won't interfere; the ministry doesn't see that as a problem and as a consequence the hinterland, which represents 90 per cent of the land area of the province, will continue to be depressed so long as these policies are pursued. Would the minister not agree with that analysis?

**Hon. Mr. Bennett:** It is great to simplify the problem and it would be nice if I had the secret in this province to turn people off and say "You are going to eastern Ontario." But we still live under a fairly free-enterprise system with a fair right to choose where we would like to live in the Province of Ontario and where we would like to establish our businesses. It's great to sit here today and say we will tell them they can't go to A or B location; they say, "Fine, if we can't go to A or B location, we will locate in the

Province of Quebec or Manitoba. If that suits you, Mr. Minister, fine."

Let me hasten to say let us not think it doesn't happen because it does. Industries will be pushed to a degree but in this great country of Canada they also have the opportunities to locate in other areas which do provide them with opportunities. I ran say that some governments in other provinces provide a great deal more in incentives with dollars, land availability, long-range hydro contracts and so on at reduced rates which, at times, are much more advantageous than what we do for them in the Province of Ontario as a government.

We try to move people away through OBIP and the development corporations. In other words, we have offered incentives to lure them—and I use the words lure them—with public funds at low interest rates into areas where we think they can do a better job for us economically. We have not moved in the field of cutting people off and saying, "No, you are not going to locate in central or southwestern Ontario." Municipalities have drive and desire to grow and to become much more important industrially.

You will recall a few months ago I made a statement about the very point you are discussing today. Within a matter of hours some of the members of the council of this very city got up and as much as wanted to know who is the Minister of Industry and Tourism of the Province of Ontario to say he is going to try to lure industries away from this big magnet down here in Toronto.

We know the problem. We will try to find programmes. We are open to suggestions and advice as to what new types of programmes we can bring in which are incentive programmes and not disincentive. We want to see productivity improved. We want to see the opportunities for industries to move around with some government assistance or to stay in place and maybe enhance themselves. I am far from being the minister who is going to start telling industry it can't expand. That's where a great deal of the growth in the cities comes from in this general area.

**Mr. Sargent:** You can't help them to stay in business. We've got a firm where about 300 men are being laid off and it needs financing. We don't see any financing.

**Hon. Mr. Bennett:** Just a moment. I am prepared to deal with that question if Mr. Sargent wants to put it before me when I am finished with this one. I say, Mr. Cassidy,

I can recall one or two members from your party, not too far from the city of Toronto, who came to me about a company which wished to expand in an area while you and I, coming from eastern Ontario, might think it would have been better to set up a subsidiary plant. That wasn't the company's or the management's desire because the cost of production would become completely unrealistic.

We have to allow for those things. If you cut it off completely, be ready for whatever the consequences might be.

**Mr. Cassidy:** Is the ministry aware of what the social costs are of additional job creation—the public costs of additional job creation—in the very intensely populated areas of south central Ontario? How do they compare with the social costs of stagnation left by the lack of jobs in eastern and northern Ontario? Has the ministry done any studies to that effect?

[11:45]

**Hon. Mr. Bennett:** Yes, we have, both in our ministry and in TEIGA, calculated costs related to setting up industries and when the volume becomes greater than the capacity the systems can carry at the moment.

We do not have a way of cutting off all of the immigration into the city of Toronto. People come to Canada, wind up living in the city and Toronto and start looking for employment. This becomes a real problem. It is the cat chasing its tail deal that we are into again. We get into housing problems, social problems, industrial problems, work problems and what we do then with the extra people in the community.

We keep trying to persuade people through the means of our ministry, as one, and the other ministries to try to keep people and industries away from what is now—and I say with a fear of contradiction—an overpopulated industrialized part of our province.

**Mr. Cassidy:** This is my last comment. Surely that is a fairly typical comment of a Conservative minister, to blame immigrants from other countries.

**Hon. Mr. Bennett:** No, I am not blaming them.

**Mr. Cassidy:** That is what you said.

**Hon. Mr. Bennett:** When I say immigrants, let me just say people then, because we have a great volume of people coming in off the farms and so on. Young people do not want

to stay on the farms and come to the city. It is not any different from New York. They see New York as the great metropolis where the availability and the opportunities of the future happen to rest. Toronto is no different and Montreal is no different in the Province of Quebec.

**Mr. Cassidy:** The basic reason that people come to Toronto, whether they be migrants from other countries or migrants from other parts of the province or the country, is that jobs are being created in this city. In many cases they have no choice if they are migrating from other parts of the province.

**Hon. Mr. Bennett:** No, I don't agree. May I say that there are parts of the province—right in this gentleman's area of the province—where industries have been going looking for help for their work force.

**Mr. Eaton:** I don't know whether this comes under this section or whether it should come under a separate section. It is a general question on our trade offices.

**Hon. Mr. Bennett:** It would come under vote 203, I believe.

**Mr. Eaton:** Okay, I will let it go for now.

**Mr. Samis:** I would like to ask a general question about planning. I am not going to get into the merit of Spencerville. That comes up later.

Some of us in eastern Ontario were rather puzzled as to the degree of planning that went into that whole project. Since you are the spokesman for eastern Ontario in the cabinet, most people in our area would regard you as the most informed person as to the degree of planning that went into it. We have quotes that we receive from you and various media, whether in Ottawa, Cornwall or Kingston. Perhaps you remember some of your quotes: "We would be completely off our nut to build an industrial park there. The government did not want to encourage industrial development in Edwardsburgh township." And again, "Whoever was assembling the land certainly won't get any encouragement from me." And again, "I personally find it extremely difficult to believe the government can justify such a large purchase."

When we hear you saying things like that, I am sure people in Cornwall, Hawkesbury, Smiths Falls and Brockville take it that you know what you are talking about because you are saying that as a minister of the Crown. What I would like to know is could



you explain to me the way the decision was made to set up Spencerville?

**Hon. Mr. Bennett:** Spencerville? Yes, there were some inquiries made of various ministers as to what we thought might be some of the things that could resolve the problems in eastern Ontario. One was that we should have a provincial industrial park. I have to tell you—and in answer to Mr. McEwen's question—that I still favour seeing municipal industrial parks first and foremost because I think that's the essential part of making communities tick.

The idea from that point, as far as I was concerned as the minister, was not discussed. It then went to the Ontario Land Corp. which started to acquire land—I take it under options—to build a provincial industrial park. I said in the House, and I repeat here, that I was not one of the ministers who was involved in the final conclusive decision to buy Spencerville. I was informed after the options—not the purchase—had been taken on Spencerville.

**Mr. Samis:** In relation to the questions my colleague from Ottawa Centre has been posing, what degree of co-ordination of planning is there, if you, as the spokesman for eastern Ontario, have no real say in this? You said now and you repeated it in the House that you didn't know about it until a week before Christmas.

**Hon. Mr. Bennett:** No, I think I said I had an input, Mr. Samis. I was not involved in the final decision. We had an input as to things that we believed—and this is one of them—could assist the furthering of the economic development of eastern Ontario, as I have had the same input in one that will relate to the northern part of the province. But from that point on, once I have had my input, as both the minister and the member, the decision rested with the land development corporation. They moved forward to acquire what they believed to be the best site. I suppose if we had had five sites there would be five different people and they would all have their own preferences for their location.

**Mr. Samis:** But in effect—

**Hon. Mr. Bennett:** Mr. Samis, we had already had our input in so far as acquiring a provincial industrial park was concerned.

**Mr. Samis:** In effect, this government virtually overruled or ignored your personal opinions on this matter as being the spokesman for eastern Ontario.

**Hon. Mr. Bennett:** No.

**Mr. Samis:** In effect, there were four ministers who apparently made the decision, of which you were one.

**Hon. Mr. Bennett:** I would say there were slightly more than four.

**Mr. Samis:** Five.

**Hon. Mr. Bennett:** That's better. No, my position wasn't overlooked at all. I was listened to as far as the final analysis of purchasing the land was concerned.

**Mr. Cassidy:** And then steam-rollered.

**Mr. Samis:** Ignored.

**Hon. Mr. Bennett:** I don't call it steam-rollered. The Ontario Land Corp. moved forward to acquire the land. They had my input as to what I believed, both as a member from eastern Ontario, as I have said already, and as a minister relating to the planning we had done within our ministry on industrial parks programmes. They moved forward from there, acquiring lands as they saw fit.

**Mr. Samis:** Was any minister who has a riding east of Toronto involved in the decision-making process?

**Hon. Mr. Bennett:** Do you mean on the final expenditure? Yes, all of us were in on the final expenditure, not on the original options.

**Mr. Samis:** Yes, on the options.

**Hon. Mr. Bennett:** On the options? No, we had expressed our opinions but the options were implemented by the land development corporation with the authority given to them.

**Mr. Samis:** In effect, this decision was made by ministers representing ridings either in Toronto or west of Toronto.

**Hon. Mr. Bennett:** No. The decision to take options, yes, but the input came from eastern Ontario.

**Mr. Samis:** Not input; the options.

**Hon. Mr. Bennett:** That's the main thing. That's really where your knowledge comes from—the input.

**Mr. Samis:** But the actual decision—

**Hon. Mr. Bennett:** The decision to purchase could have been made by the Minister of Government Services, who didn't live in eastern Ontario.



**Mr. Samis:** The fact stands that your views were not accepted by your colleagues.

**Hon. Mr. Bennett:** I am sorry, Mr. Chairman, we seem to be getting around to situations on how you are going to handle a court case next. Very clearly I have said again that, in front of the Premier (Mr. Davis) and various other members of our cabinet, I and other members from eastern Ontario had a very clear input as to what we believed were some of the economic requirements, and provincial industrial parks was one of them.

As to the location in eastern Ontario I will admit to you, sir, I did not get involved in the specific location; in the general location in eastern Ontario, yes. Our advice or thoughts or views—mine and others from eastern Ontario—were accepted and acted upon by the land development corporation on the authority given to them.

**Mr. Samis:** Let me ask you: In a project of this sort what degree of consultation was there with local authorities in eastern Ontario?

**Hon. Mr. Bennett:** You are referring to the municipalities, I take it?

**Mr. Samis:** The municipalities.

**Hon. Mr. Bennett:** I would say none prior to the purchases. I think that has to be realistically assessed for. If government is going to move in and decides it is going to buy land for a purpose and, before it even takes options on it, decides it is going to discuss it with everybody in the community, I will guarantee you one of two things will happen. It will either get so far out of line price-wise or it won't advance because of that.

**Mr. Samis:** But if we are not talking about specific sites just the overall strategy and planning, what degree of consultation was there?

**Hon. Mr. Bennett:** There has been enough, I think. The members from eastern Ontario know the input there has been about developing industrial parks in eastern Ontario. Whether they have to sit down with individual members and discuss it or whether you can take the comments they have made over the period of time as being realistic and valid, I think that's what you have to look at. Your

mayor of the time in Cornwall obviously expressed very clearly the need for more and larger industrial opportunities in eastern Ontario.

**Mr. Samis:** He also opposed a project of this scope.

**Hon. Mr. Bennett:** Pardon me, he opposed the project until he was given the assurance that it would not run in opposition to his two municipal industrial parks which have been assisted through the general assistance agreement.

**Mr. Chairman:** As it is 12 o'clock and I understand there are a number of caucuses meeting over the noon hour today, I wonder if it would be agreeable with the committee that we recess now and return approximately 15 minutes after the question period this afternoon? Is the committee agreeable?

**Mr. Williams:** I have a question, Mr. Chairman, if I might put it before we adjourn. It is a matter of procedure.

**Mr. Chairman:** Yes.

**Mr. Williams:** I realize you have to exercise a fair amount of latitude in letting us speak on these matters but I see two extremes developing here from the cynicism expressed by Mr. Sargent to the far-ranging philosophical party statements by members such as Mr. Cassidy.

**Mr. Sargent:** We're plotting strategy.

**Mr. Williams:** While I don't disagree with the genuine interest of the members, I have yet to see them relate to specific estimates. I think we have to remember we are in an estimates committee and that's our primary function. I would hope that you would exercise restraint upon the members to relate their philosophizing to specific budgetary matters before us. I think it would help us to expedite the business of this committee. Would that be a reasonable request to ask of the chairman?

**Mr. Chairman:** Thank you for the suggestion. I believe this has been suggested to many chairmen in the past and I will certainly do my best, as I suggested in my opening remarks.

The committee recessed at 12 p.m.

## CONTENTS

---

Wednesday, October 29, 1975

Opening statements .....	S- 3
Ministry central office programme .....	S-14
Recess .....	S-24

## SPEAKERS IN THIS ISSUE

---

Angus, I. (Fort William NDP)  
Bennett, Hon. C. Industry and Tourism (Ottawa South PC)  
Bounsall, E. J. (Windsor-Sandwich NDP)  
Cassidy, M. (Ottawa Centre NDP)  
Conway, S. (Renfrew North L)  
Drea, F. (Scarborough Centre PC)  
Eakins, J. (Victoria-Haliburton L)  
Eaton, R. G. (Middlesex PC)  
McEwen, J. E. (Frontenac-Addington L)  
Norton, K. (Kingston and the Islands PC)  
Samis, G. (Cornwall NDP)  
Sargent, E. (Grey-Bruce L)  
Williams, J. (Orillia PC)

### Ministry officials taking part:

Cooper, R. T., Director, Strategic Planning Branch  
Pillgrem, F. J., Deputy Minister











LIBRARY

DEC 10 1975

UNIVERSITY OF TORONTO



Ontario

Government  
PRINTING

# Legislature of Ontario Debates

**SUPPLY COMMITTEE**

**ESTIMATES, MINISTRY OF INDUSTRY  
AND TOURISM**

**OFFICIAL REPORT — DAILY EDITION**

**First Session of the Thirtieth Legislature**

**Wednesday, October 29, 1975**

**Afternoon Session**

**Speaker: Honourable Russell Daniel Rowe**

**Clerk: Roderick Lewis, QC**

**THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975**



## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. (Phone 965-2159).

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MGS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.

## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

---

WEDNESDAY, OCTOBER 29, 1975

The committee resumed at 3:28 p.m.

#### ESTIMATES, MINISTRY OF INDUSTRY AND TOURISM (continued)

On vote 2001:

**Mr. Chairman:** I would like to call the committee to order. I assume we have a quorum. As we decided this morning, we should have six plus the chairman, and that's exactly what we have at the present time. So we will continue with the list of those who requested an opportunity to speak. We will start with Mr. Wildman.

**Mr. Wildman:** Pursuant to a couple of my colleagues' questions this morning regarding strategic and overall planning—I come from an area where the overall planning of your ministry is of great importance to us, especially along the north shore of Lake Huron where, according to the latest Statistics Canada figures, unemployment is approaching 22 per cent. Could you explain the co-ordination involved in the overall industrial strategic planning in your government? That is, what co-ordination is there among ministries such as Natural Resources, Housing, TEIGA, and also within the ministry, the ODC, NODC, and also Crown corporations which are planning expansions, such as Ontario Hydro? What kind of co-ordination takes place in developing industrial planning for those areas?

[3:30]

**Hon. Mr. Bennett:** First of all, Mr. Chairman, the importance of the overall planning falls within the policy field of TEIGA. My ministry, ODC and the other related agencies of the government all feed or channel their information into it, so that there can be some understanding of what is being developed. I indicated this morning that we've all been very concerned about growth, getting industries into communities where I suppose it would be right to say it would be the least difficult to get them so we could develop that employment factor.

Today, we're becoming a little more scientific or selective in the way we're going about it. We put our information into TEIGA along with the agencies I've mentioned, but the municipalities for that matter have a part to play in this problem as well. We've tried with these sector analyses we've been doing to try to define which industries could we move with the greatest ease from point A to point B, without damaging the environment or other parts of the quality of life.

I can recall not so long ago we had the difficulty of trying to move a steel plant into a particular community, and while there were a number of people who thought it was great because it would produce several hundred jobs over a period of five years, there was a very violent protest that it would disturb the way of life in that community, and as a result the steel mill was not built in Ontario. I suppose it's like a refinery today. Sarnia is fine; they have refineries, they accept all the difficulties and all the problems, or at least they see that they have a dollar sign to them. They've come so far that they accept them. Other communities that have not had some of the industries that are not as acceptable or as pleasant refuse to have them, and so there are built-in problems even to the strategic planning or the sector analysis.

**Mr. Wildman:** Could I ask a supplementary to that? What relationship is there between your ministry and the other ministries when it comes to determining long-term planning? I mean, what time frame are you working in when you talk about planning for development in depressed areas like the north shore?

**Hon. Mr. Bennett:** We try to project ourselves for the five- 10- and 15-year periods. Unfortunately, the way we work, and I'm referring to people on the political level and the industrial level, it's the crisis of today; how do we try to get the industry today. Very few communities, and I'm talking about municipalities in general, have sat down and said, "This is where we want to be in five or 10 years. This is how much acreage it's going to take and this is the way we should put it under development." We're trying,

through this bill that I introduced today, to give some incentive to municipalities to do just that, to assist them in getting into, between themselves and our ministry, some long-range planning.

We have tried to project what we see as the requirements for five-, 10- or 15-year period without altogether knowing what's going to happen in some of the fields of natural resources. I'm thinking now of the wood industry. If I could predict the flow we would need of wood, of timber, of cut lumber over the next period of time we'd be in an excellent spot to try to assist further in that industry. I guess there is none that's in more desperate condition today than that industry.

**Mr. Wildman:** I am thinking specifically of an area like Blind River, where a great deal of money has been spent by NODC and other agencies—

**Hon. Mr. Bennett:** Federal agencies as well.

**Mr. Wildman:** —yes, federal agencies as well—to try to bring in industry. Much of it appears to be a short-range approach.

**Hon. Mr. Bennett:** That is the problem of the day.

**Mr. Wildman:** Right. There is a tremendous problem there now. As a result some of these industries have come in and over three or four years have found that they can't make it and they end up shutting down or going bankrupt or something like this. Is there any overall plan for areas like that, involving all of the ministries, and involving the federal people of course, too, to bring industry into those areas?

**Hon. Mr. Bennett:** Let me just say that when we believe there's a viability of an industry moving in, we then call upon people at Natural Resources to tell us whether there is sufficient footage in timber to make it a viable operation covering a period of 20 years. In other words, where the cuttings will take them in 20 years. The same thing applies to the federal agencies and the financing of their programmes. I know when you speak of some which closed down the wood industry, that's a prime example.

Three years ago, when I first became involved in the ministry—not this one, another ministry—one of the industries in real difficulty was the pulp and paper and timber industry. They were in to see the government, the resources field, to find out what

they could do to get subsidies to maintain their mill operations. It wasn't six months and they were in to find out what we could do to help them meet the demands of the marketplace upon them. You reverse positions in a relatively short period of time.

I'm not apologizing to anyone. This has been a condition which has existed right across Canada—I suppose right across North America—in the pulp and paper and timber industry. The fluctuations, the peaks and the valleys, have been so drastic. I find it difficult, as I say, as one who's not knowledgeable in the timber industry—I find it just about impossible that somebody at some level, the economists and others, can't find that even position.

**Mr. Wildman:** I fully understand what you are saying about the timber and the lumber industries but surely one of the problems in that area is that for so long it has been a one resource-based economy. There hasn't been a diversification of secondary industry coming in.

**Hon. Mr. Bennett:** What you are asking, really, is what can you do to get diversification in the north?

**Mr. Wildman:** What sort of planning is your ministry doing in consultation with the others to bring that?

**Mr. Cooper:** I wonder if I could add something to that. To answer your question, the Ministry of Industry and Tourism is not planning per se but TEIGA is and we're making a contribution to that plan in the light of industrial development for that area. They're concerned with everything the minister is talking about—the timber, mining and even to some extent the energy-generating potential of that area.

You have probably heard of the plan they've had for northwestern Ontario. There is one coming out for the northeast and then there's an eastern Ontario one. The kinds of things you are talking about are in those plans and the Ministry of Industry and Tourism makes a contribution to them.

These inter-ministerial committees meet for six to eight months. Something is written and it is talked about and digested and altered before the final report comes out. You can say, what happens to this once the plan is there? You can't suddenly put all these things into motion and get a change right away. I think a lot depends on the most natural things which can evolve. I think that consideration of, say, energy production is a



kind of catalyst, as we have seen around Nanticoke and Lake Erie, to get further industrial development, further activity, going. I don't think anybody has the final answer to change something as radically as that.

**Mr. Wildman:** That was the thrust of my question—what kind of co-ordination goes on among the ministries and the different agencies. For instance, in the proposed plan for a nuclear development plant in the Dean Lake area or along the north shore somewhere, what role do you play in discussions with TEIGA, the Ministry of Energy and Hydro and so on in that sort of a development?

**Mr. Cooper:** Do you want me to answer? In the particular energy case, we have taken rather a leadership role mainly because Hydro did not want to take it and, secondly, because it is concerned with overall industrial strategy when the final result is out. We were given that role. There is an energy committee meeting right now. It's been charged to come up with a report by the end of this year. I have not seen a final report yet but they are working on this kind of thing.

**Mr. Wildman:** Mr. Chairman, I have further questions regarding NODC but would you prefer to wait until we get to that?

**Mr. Chairman:** I would like to suggest, if you would be agreeable, that you ask them then. I have two others on the list who have suggested they would like to ask something further on this subject. Mr. Williams.

**Mr. Williams:** Mr. Chairman, it was really the procedural question I came to at the end of our morning session that I was referring to.

**Mr. Chairman:** That was what you referred to? Right. Mr. Eakins.

**Mr. Eakins:** Mr. Chairman, Mr. Minister, I want to speak briefly. I think it follows a similar pattern but it's very important to me as a personal thought and as a new member. Following the discussion this morning of Spencerville and industrial development in areas of the province I certainly don't expect the Ministry of Industry and Tourism to solve this problem alone but I do expect that the total government should take a look at our overall provincial plan of development. Smaller communities are expected to have a plan for the future and I don't see why there should not be an overall plan in regard to Metro Toronto and the rest of the province.

Many of our young people are moving from the smaller communities to the Metro area because this is where the jobs are, and, of course, industry goes where the labour market is. Many of our young people and skilled workers are being drained out of the smaller communities of Ontario which need a shot in the arm and need some help in this field. I think it's important too, to note that the voters in the Metro area have elected people who have said, "Let's slow down." Many of the people who are promoting great growth have been knocked off, so to speak, so the people are having a say in the type of community they want.

I say this to you—it's not this ministry alone but the total government picture. Do we wait for a crisis or do we work in anticipation of the future? I think of a city like London, England, which eventually had to face the fact that it had to give strong incentives to support the rest of the country and move industry out of the city.

Here, in Ontario, I don't believe we need to create new cities and new communities. I believe we already have a core in many of our smaller communities for future development. I can think of many communities where 2,000 or 3,000 people would mean a great deal. There are many smaller communities where even a shot of 500 people and some added incentive would do a great deal for the life of those communities.

Shouldn't the total government force be thinking of the future in regard to how big Metro becomes and how far it sprawls, and what do we do to reverse the drain from the smaller communities into the city? I think this is a very real problem.

**Hon. Mr. Bennett:** Mr. Eakins, I realize—and I think the people in my ministry and in TEIGA recognize—the very problem you speak of.

In the ministry we have an indication as to where industrial lands are required in the Province of Ontario. Some sectors, I could say without any fear of contradiction, would have what we would consider, as a ministry, to be an oversupply at this point in time for the type of industrial development or growth which we would project for the next 20-odd years. The incentive programme in the bill I introduced in the House today, we hope will try to bring back into balance the availability of industrial land in the areas where we think it's primarily needed.

I say again, as I mentioned this morning, it's not completely easy to turn off industries from wanting to locate in a particular part

of the province. People say we should overtax them or do this, that or the other thing. That's easily said except that if they're overtaxed here they'll move on into another community or another province. Secondly, if we overtax you find yourself in a position where you—the consumer, the purchaser—are paying for that overtaxation in the retail price. It can also make the goods less competitive in the trade field.

We recognize the need for industrial land to try to bring some balance to economic and industrial growth. Again, when you read the bill that we have in the House now it's clearly basically for eastern and northern Ontario. It will take into account areas where we consider there to be some surplus lands. If the municipalities can meet the criteria and we believe there's the need for further industrial lands being made available in that community, we'll try to accommodate them within the resources we have.

[3:45]

**Mr. Eakins:** I want to ask a supplementary. I don't want to drag this on too long but in the area of natural resources—and I'm thinking of the Haliburton country where the people there feel that they need some greater incentive development and that there are some lands which lend themselves to development which Natural Resources feel should be held as Crown land—does your department work with Natural Resources in suggesting that perhaps there are some greater tourism opportunities there, if your two ministries, plus the local development commission, sat down and discussed it?

**Hon. Mr. Bennett:** That is part of the problems or the responsibilities of the resource policy field in trying to find some acceptable position. Our ministry will bring in the position as we see it relating to whether it be industry or tourism and present it very clearly. I have to say to you here that we cannot always find ourselves 100 per cent in agreement with what the county or municipality wants to do. They are looking at it strictly from a very parochial position rather than how it is going to affect the overall provincial position on parks and whatever it might be.

I say very clearly that industry and tourism are compatible in a holiday area though there are a lot of people who say that is not the case and that you cannot run industry into what would be known as a tourist area. I say to you very clearly there are many spots in this province where we have been able to do it on a very profitable basis for long-

range, continued employment, which is most important.

**Mr. Sargent:** I think it is as important to salvage an industry as to locate a new one. As you know and your deputy is well aware, RCA Victor is closing. It did employ 559 people and now 240 have their notice and it is going to close. It is a \$10 million plant. I think it is strategy at this point in time and place to ask you what is the thrust of this department insofar as honouring a commitment by the former minister, Mr. Winkler, of \$500,000 during the election campaign and now withdrawing it. The deputy says you are withdrawing the offer. We have these people, this great, skilled group of people, who are now going to be out on the street.

I understand some years ago we lent \$6 million to a computer plant here which employed maybe 30 or 40 people. We are looking now for about a \$2 million loan from this government. The men themselves are willing to put up \$100,000 to keep it in operation. I think it is strategy insofar as I am concerned as the lives of these people are pretty important. What is the thrust of the government in this regard?

**Hon. Mr. Bennett:** Mr. Pillgrem?

**Mr. Pillgrem:** When you indicted, Mr. Sargent, that the loan had been withdrawn, actually the Kroehler company backed away from the proposition.

**Mr. Sargent:** It doesn't matter who gets it, whether it is Kroehler or whoever gets it.

**Mr. Pillgrem:** If I could just complete that part of it, the Kroehler company backed away and the loan was made available contingent upon them moving ahead with this proposition.

**Mr. Sargent:** Mr. Winkler lied to the people at the time. They were not part of the deal at all.

**Mr. Pillgrem:** The loan was made available to Kroehler and what Mr. Winkler announced was the fact that the funds were made available to this company. But it was contingent upon their completing this transaction for the purchase of the RCA plant. After further study, they decided not to go ahead with this proposition. Subsequent to that, a group of the employees, as you know, made a proposition—a very sketchy one I'll grant you—to our Ontario Development Corp. The unfortunate part is that after careful study of this we now have a report, which the min-



ister has in his hand, from the Ontario Development Corp. indicating that in their minds it is not a viable proposition. In other words, there are just not the finances, the sales and the market, for this operation to continue.

Kroehler found that even with their part of it, where they would in effect themselves use 70 per cent of the output of this particular plant, it was still not a viable proposition for them. One of the basic problems of the employees taking it over is that they do not have this ready-made market that it was indicated Kroehler had and even they felt they couldn't make it work on that basis.

So obviously they do not have this ready-made market that it was indicated that Kroehler had. Even they felt they couldn't make it work on that basis. It is a great sorrow to us—maybe Mr. Sargent and I particularly since we come from that part of the country. I would like very much to see the RCA plant put back into operation.

But there is not much point to putting it back in operation when it's almost doomed to a second failure; this is what is indicated by all the economic studies of that particular operation in that particular area. I can't offer much more than that, sir.

**Hon. Mr. Bennett:** Mr. Sargent, there is a clear indication from the reports we have—and they went into some detail with the employees and the system, trying to put together the proposal—that they couldn't even meet the servicing charges on the moneys borrowed from RoyNat and the various other financial organizations they tried to secure loans from—just the servicing charges that would be incurred. We had agreed to the loan—to keep the plant in operation and maintain the jobs—and Kroehler in its wisdom decided at the last moment it couldn't make it a viable operation because of economic conditions in this country; and they just backed away from it.

**Mr. Pillgrem:** Labour rates were a problem.

**Mr. Sargent:** Talking strategy, the fact is there is a great need for low-cost housing across Ontario. In your strategy plan for certain areas of the province, put a crash programme in modular or mobile homes. This plan adapts itself beautifully to that, because 70 per cent of all the homes sold in America last year were mobile homes. That's the only answer to our housing programme.

I don't know what your strategy people do, but I think your yardstick is \$20,000 for a man's job—you could put 300 men back to

work in a crash programme in housing, give us the same treatment—forgiveness loans—that you gave hundreds of American firms.

These people were in excess profits brackets in the States, and you gave them forgiveness loans to more or less take over our economy. Now when people want to put up their own money and ask for your help, you say it is not a viable operation. I would suggest to you the answer is what's happened in Cayuga. If an American plant offered to take over that plant you would lend the American plant the funds to operate the plant, but you wouldn't lend it to local people.

**Hon. Mr. Bennett:** Mr. Chairman, I beg to differ with Mr. Sargent. We would lend the money provided there was an opportunity to make it successful. There is absolutely no reason, as Mr. Angus mentioned this morning, in helping companies to establish and then watching them go down the drain because they can't even make the service payments on the funds borrowed.

If we believed that this firm would be viable with the employee ownership as proposed, we would certainly give it favourable consideration. The amount of capital investment that they intend to make is rather small in relation to the overall debt; rather insignificant—

**Mr. Sargent:** This has meant putting up \$500 each; that's all they have, they are working men.

Just one more point, Mr. Chairman. This plant is a \$10 million plant and it can be bought for about \$3 million. It's a crying shame, maybe once in 12 years we have a loan approved in my area—what I asked for. The minister before you told me that he was tired of hearing about the deadbeats up Grey-Bruce way. But this is our money and we should have access to it.

These people have met on this thing, Mr. Chairman; they think they can make it a viable operation with federal help and with your help. But it starts with you, and you turn thumbs down on it. What are they to do? They will have to go out on the market. These skilled people will be unemployed.

**Hon. Mr. Bennett:** Mr. Chairman, my concluding remark in regard to Mr. Sargent's comment is that my ministry people, with RCA Victor are continuing at this time and with the federal people, to try to find someone to go in and operate this plant on a viable basis. I say there is no sense in this government or the federal government starting to put millions of dollars into this plant



operation and in 12 months or less find them here requesting moneys just for its current position.

That is exactly what is projected to happen. While we can go in and help them with their capital position on a plant of \$3.5 million if, in several months' time we're back here to ODC to get a large sum of money to cover the current position—which we know is not viable—it becomes rather insane for a government to continue to put money up. We have to find people who have sufficient funds to put into this operation to bring it close to being relatively successful.

**Mr. Sargent:** One final question. In regard to policy. If Mr. Winkler had been elected, what would have happened?

**Hon. Mr. Bennett:** Whether Mr. Winkler or Mr. Sargent or someone else happens to be the representative, our decisions are based on good business judgment. We give the advantage to the applicant if at all possible. That's what we are, the lender of last resort. All the indications from both within the ODC and outside sources, I say very clearly to you, were that there was absolutely no hope of even servicing the mortgage account, let alone making a profit to pay people.

**Mr. Angus:** Mr. Minister, I am sorry I wasn't able to follow the full discussion but in your discussions on this firm you said, if I caught you right, that the government wasn't prepared to grant money at this time but was assisting in finding somebody who had the expertise to bail them out. In other words, private investment.

**Hon. Mr. Bennett:** Excuse me, it wouldn't be bailing them out; it would be buying them out completely. RCA Victor is going to close the operations and is prepared to sell the plant and equipment to someone else.

**Mr. Angus:** Okay. The thought crossing my mind is that you seem to be suggesting that your ministry doesn't have the expertise to go in and help them out in that way. Is that because of your mandate or—I'm not pleased with the way I'm putting this across because I've lost the initial thrust of it. Let me try once again.

You seem to have said that what it would take to get RCA back on its feet, so to speak, was private investment or buying out. But at the same time or just previous to that you said the government wasn't in a position to do that. Does your mandate not allow you to go in and take over a company if necessary to make it a viable operation?

**Hon. Mr. Bennett:** You mean, government take it over directly?

**Mr. Angus:** Yes.

**Mr. Sargent:** What about Minaki Lodge—\$5 million there?

**Hon. Mr. Bennett:** Yes, I'm prepared to speak about Minaki, too.

**Mr. Sargent:** You are a real born loser—\$5 million there.

**Hon. Mr. Bennett:** The situation is we have no money invested in this firm at the moment, not as RCA Victor. It is up for sale on the market. Kroehler was interested in purchasing it and did a complete cost analysis and extensions of sales potential and profitability and so on. They asked at the time when it looked rather interesting to them whether there could be an ODC loan made available to them. We went in and made an assessment of it from Kroehler's point of view and what they were going to put into it from their cash position.

With their heavy capital investment, the cost to them of carrying our loan plus whatever other funds they would have to secure appeared to be viable and we were prepared to lend Kroehler \$500,000 under OBIP. Kroehler, after its final extensions, came to the conclusion it was not profitable and they could not recommend its management to buy it and so they backed away from it completely.

At that point, the employees, as Mr. Sargent has said, formed a group to try to purchase it. They came to us with the proposal and we assisted them in trying to put all the facts and figures together so we would know where they would go for financing requirements and know how much.

**Mr. Sargent:** How much assistance did they get?

**Hon. Mr. Bennett:** I'm referring to personnel assistance.

**Mr. Sargent:** Have you met with them yet?

**Hon. Mr. Bennett:** Yes.

**Mr. Sargent:** How many times?

**Hon. Mr. Bennett:** Our people in the local offices have met with them and ODC has met with them.

**Mr. Sargent:** When?

**Hon. Mr. Bennett:** Over the past period of time. I haven't got the dates here.

**Mr. Sargent:** We talked to you about it two or three weeks ago. We started talking to you about it.

**Hon. Mr. Bennett:** No, Mr. Chairman, let me say that I have been involved with the purchase by employees for a period of at least two months or better. We have tried to help them along. Once you come down to—

**Mr. Sargent:** You couldn't have because we had the prospectus come out two weeks ago. There's the prospectus there.  
[4:00]

**Mr. Pillgrem:** The prospectus came from the employees, I would suggest, something in the neighbourhood of three weeks to a month ago. Our own people in our local office had been discussing with those employees and that group considerably before that time, before they came up with an actual proposal. There were discussions prior to that time. You are perfectly correct, Mr. Minister.

**Hon. Mr. Bennett:** So to answer the question, what we did was, we went through with them and found out what we would have to put in in capital.

**Mr. Angus:** In terms of a loan?

**Hon. Mr. Bennett:** In terms of a loan or a mortgage or whatever you wish to term it. At interest rates of today, or less, it was projected by both inside and outside people with ODC that it could not be a profitable venture.

**Mr. Pillgrem:** You see, the problem is that the employees unfortunately don't have sufficient equity. They are putting up something in the neighbourhood of \$100,000 to buy a \$3 million plant. Then there were the additional funds for working capital, all of the necessary funds that would have to go into this operation; and the market that was anticipated, as well as the cost of operating this plant. One of the reasons that Kroehler backed away, from my understanding, was because of wage rates in Owen Sound. The wage rates were higher than the rates that they were paying in their equivalent plants—and they have a number of them in the province of Ontario and other parts of the country. They considered that even if they did it, it was not viable.

But the employees would have been so debt poor that they would have just bled to death. They could not generate enough working capital and enough cash flow to pay the interest charges that would be necessary on having just \$100,000 invested in an organization that might take \$3 million to \$5 million to get off the ground. It just isn't enough equity to make the thing viable.

**Mr. Angus:** I seem to get a sense that nothing can be done for that plant because private investment has said, "We can't afford to do it." The employees, given their limits of resources, haven't been able to do it. Has the ministry thought about or talked about the possibility of a joint venture? I'm not referring to loans. I'm referring to shares, some form of partnership between the government of Ontario and another industry in order to keep that plant operating and those people employed?

**Hon. Mr. Bennett:** No, we have not.

**Mr. Sargent:** What is the equity position?

**Hon. Mr. Bennett:** The other area I would just speak on is that when you talked about capital investment requirements and what could happen, it could very well be—reading some of the remarks by RCA—that there is going to have to be a rethinking of what they expect to secure from the sale of the plant and equipment. That's where I think some of the realism in the next short period of time is really going to have to come into the discussion.

What you are really suggesting, I think, in the first part of the question is whether the government wants to get into an equity position or a shareholding position with private enterprise. I say openly that we have discussed that on more than one occasion. But it is not the desire at this time.

**Mr. Sargent:** What is the equity position?

**Mr. Chairman:** I'd just like to say that I feel this discussion is probably leading and carrying on to a specific subject which should be discussed under other votes. Mr. Williams, you said you did have a question? Would that be suitable under another vote?

**Mr. Williams:** No, Mr. Chairman, I think it's relevant to the thrust of the previous discussion. Coming to the Ontario Development Corp. and the financing that they are providing for some of the industries—



Mr. Chairman: I wonder if it is too much to ask—if it is under the ODC—if you could ask the question under 2009?

Mr. Williams: All right, Mr. Chairman.

—Mr. Cassidy: I can't remember the minister speaking out on the question of the foreign ownership of Ontario's industry in the past. I wonder if he'd like to fill that gap now, by saying what his view is of government policy as far as foreign ownership is concerned and what is the role of the Ministry of Industry and Tourism in relation to foreign ownership?

Hon. Mr. Bennett: I will briefly give it to you and then Mr. Cooper will fill you in on all the background that we've dealt with. I have said clearly that foreign companies, as far as I'm concerned, are welcome into the Province of Ontario; that the opportunities they can provide, by bringing in their own financing and their technology and expertise, are welcomed in expanding the industrial opportunities in Ontario.

Very clearly, they have a responsibility and government has a responsibility to make sure that they play according to the rules that Parliament sets down, whether it be provincial or federal. Through the development corporation we have made loan funds available to other than Canadian firms on rather more strict terms. But we believe when you look around this province you can see the opportunities that some of the foreign firms have been able to bring to our communities. They've been good corporate citizens. I conclude my remarks very simply by saying that it they play the game according to the rules and provide meaningful jobs for our people, those are the criteria we're looking to fulfil.

Mr. Cassidy: In essence then, as far as the policy of the Ontario government is concerned, nothing has changed, since Stanley Randall, for example.

Hon. Mr. Bennett: Let me go one step further to the Foreign Investment Review Act, in which we've become very involved; it is a federal piece of legislation and one which we support. Some of the conditions may not altogether suit all of the communities. I know there are some communities, when they've been told that a particular industry couldn't be turned over to other than Canadian hands, that have got upset because in some cases there were signs the industry could very well disappear. It certainly was not the intent of the Foreign Investment Review Act to try to stifle or curtail the industrial operation.

We would obviously prefer to have Canadians in the ownership of the natural resources operations, the manufacturing industry and the processing industry in this province. But where we cannot find Canadian investors and a foreign investor indicates his desire to come to the Province of Ontario, I again say to you that we entertain it because it does provide meaningful employment.

There are some foreign-owned industries—and when I say foreign-owned, I hope it will be appreciated that I'm not referring only to the United States of America; we're referring to many other countries—that have been able to bring some very high expertise and technology here that has helped provide spinoff industries as well.

Mr. Cassidy: I wonder what initiatives the government is considering taking, say in the field of joint ventures, mixed enterprises and that kind of thing, as has been done by other provinces in Canada. Does it feel that there is a lack of Canadian investors to take on certain opportunities? What steps does it take in order to identify whether there are Canadian investors before going to look for a foreign investor to move into a particular area?

Hon. Mr. Bennett: The last point raised is an interesting one, because at the time we were involved with the federal government in the federal-provincial conferences on the foreign takeover legislation, one of the points I raised, and one of the things I would like to have had implemented in the Act, was the opportunity for a province such as Ontario, when it has been advised that company A wishes to dispose of its assets to company B, which is other than Canadian, to have the open right to go out and try to find other financing sources here in Ontario or in Canada to purchase it.

Of course, what really becomes involved is the Act, and the files that are given to us are confidential—confidential in every way, shape and form because they relate specifically to the operation of that industry. One of the things I have continued to ask the federal government is that we should get some provision—I'm not sure how it could be worked in, because obviously we are then in receipt of some information that might be detrimental to a firm if it was made completely public—but I thought we would be given the opportunity as a province, through a ministry such as ours—we know people who want to invest money in Ontario and would like to bug certain industries; I must admit I think it would be right if we had, as prov-



inces, the opportunity to approach those financiers to become involved.

I might say that when it comes to that point, if we happened to know that somebody would take over a particular firm with local money, Canadian money, we would likely put in an objection to the sale, based on our knowledge that someone in the community, in Canada, would buy it.

**Mr. Sargent:** Mr. Chairman, I hate to tax your patience, but before the vote is put, I want to say the whole strategy of this ministry is summed up in this thing here. In the Minaki Lodge deal we have a \$5 million loan with no interest rate charged at all. It has a book value of \$1.4 million. They went bankrupt, and you used public funds to take them over, and among the people who are the directors of it are David Casswell, the head of the Conservative association in the north. Also on the board is Fred Boyer, a guy I respect very much. But your operation, your whole department is involved in this very closely. It says in the final paragraph here:

Once the Minaki facility, recognized as the jewel of the lodges in the northwest, becomes a successful operation, the province will sell it back to private enterprise.

Where in the hell do you get the right to take money and pay out to somebody a \$5 million loan with no interest or any terms of repayment? What the hell is going on with my money? That's the thrust of this whole department: that you use this thing as a political football to bail out your friends. You tell me you can't give money to keep the RCA Victor plant a viable operation; to put something there with all your technology; to give all these millions of dollars to people who are supposed to be top people? Do you mean to say you can't put an operation there, such as housing, or something, to keep those people alive? You do this thing with our money and it goes on ad infinitum with these loans across the province. You should be ashamed of yourself.

**Mr. Chairman:** Do you wish to make further comments?

**Mr. Sargent:** I want some comments on this, Mr. Minister.

**Hon. Mr. Bennett:** Mr. Chairman, if we're going to get into comments on that I should think that Mr. Williams' question should be in order then. Maybe we should be dealing with vote 2009.

**Mr. Sargent:** I want a reply to that question. How can you do that?

**Hon. Mr. Bennett:** Do you wish me to reply to that now or in vote 2009, sir?

**Mr. Chairman:** I would say, Mr. Sargent, I did previously ask Mr. Williams to hold back his question on 2009.

**Mr. Sargent:** I respect that.

**Mr. Chairman:** I would ask the minister to make a note and give you a reply under 2009.

**Mr. Cassidy:** Mr. Chairman, if I could finish my line of questioning as to the activities being carried on by the Ministry of Industry and Tourism, in view of the comments you've made up until now.

**Hon. Mr. Bennett:** The monitoring of foreign operations: I take it to mean establishing in the country today?

**Mr. Cassidy:** Or established.

**Hon. Mr. Bennett:** For those that are established, I'm not sure exactly the respect of monitoring you refer to. Those that wish to come to Ontario at this point, of course, now all have to go through the Foreign Investment Review Act. This, for the first time, gives us a golden opportunity to see who is taking over behind the scenes or buying up, or establishing foreign-controlled operations in the province. In that respect, the Foreign Investment Review Act has certainly been a plus to governments in the various provinces to finding out exactly who is going to be in control of these operations. For the firms that are here at present, the only position we have is our constant contact with them as to what they're doing in expanding their operations and upgrading their facilities through our field offices, through our technology people and through the people at the Ontario Research Foundation.

**Mr. Cassidy:** Do you monitor, for example, the prices at which they handle inter-company transfers between this country and the United States since so many of those companies are, in fact, American controlled?

**Hon. Mr. Bennett:** No.

**Mr. Cassidy:** This is not done by the Ontario government? Do you monitor, in some other way, those companies established here—not establishing but established—in order to see whether or not their operations are

in the best interest of Canadians and if they're acting as good corporate citizens?

**Hon. Mr. Bennett:** Obviously most of them have in their shops unions which keep us well aware of what is going on within the companies. Two, we have our field workers who make their plant visits to these people and sit and review with them the problems they might be encountering. Or we might be able to assist them in finding local suppliers of goods rather than importing some of their products, which might be naturally accepted because it happens to be one of their affiliated companies. I must say that we've had a degree of success in going in and saying, "What are the things you're buying offshore?" and doing a review with them and being able to persuade them, as good corporate citizens, that they should be directing more of their attention to the purchasing field in Canada.

**Mr. Cassidy:** How many companies did you have that kind of discussion with last year?

**Hon. Mr. Bennett:** I will have to turn that question over to someone in the ministry to come up with the facts and figures. I don't have that at my fingertips.

**Mr. Cassidy:** Could you have an answer on that? With how many companies were discussions held about sourcing of their component parts?

**Hon. Mr. Bennett:** Mr. Chairman, I will take note of that question and when we get to 2005 I should have that for you.

**Mr. Cassidy:** That's fine.

**Hon. Mr. Bennett:** It comes under that division.

**Mr. Cassidy:** What is the government doing in pursuing its goal of developing Ontario-owned multi-national companies?

**Hon. Mr. Bennett:** I beg your pardon?

**Mr. Cassidy:** What is Ontario doing in the development of Ontario-owned international companies?

[4:15]

**Mr. Cooper:** I mentioned earlier this morning that one of our long-term planning studies was to look into the viability of just that question. We haven't really got the answer to it yet but this was something that had occurred to us. Again, it's just not some-

thing you can do overnight. But we are looking into it. We don't have any answers yet.

**Mr. York:** I would just like to make a comment that on Nov. 18 we are having a conference entitled "Manufacturing Abroad," in which we try to expose opportunities to companies who cannot export profitably—show how they can create thickness and boldness on their part by looking at the opportunities that are available to them in manufacturing abroad. This is one of the steps we take in assisting some of the industry in Ontario to look beyond its own borders.

**Mr. Cassidy:** Perhaps I could take another question to the minister. Does the minister monitor the operations of foreign subsidiaries in Canada to know whether, in fact, they're carrying out an effective exporting policy or are simply confined to the Ontario or Canadian market?

**Hon. Mr. Bennett:** In the plant visits I referred to earlier, where our regional people are out with the industries of the province, that is one of the key things they get involved in: the potential of exporting their goods, trying to relate their goods to a foreign market position, which our foreign officers, of course, are constantly on the lookout for as well.

In some cases we're fortunate that some of those multi-national corporations that happen to be stationed here in Ontario are principally the exporting agent for their companies because of certain tax laws. I can think of one or two companies that in not so many weeks past had the chance to speak with our officers expanding even further their potential in the export market.

I can think of IBM, for example and some of the equipment they're producing here in Ontario. It is the source of their world operation. We continue to push them, we put on export trade shows to try to encourage them that there is a market. The trading house conference that we held here a few weeks ago was just that—to try to relate some industries we believe have potential in the export market with people who can assist them over and above what government does for them in finding those markets.

A great number of people who we believe can get into the export field are somewhat shy or nervous about going into it, because they're not familiar with foreign currency, the language of the day and all those other things. Between ourselves as government and the Ministry of Industry and Tourism,



through the trade division and through the private trading corporations, we've tried to marry up the two—the industry and the trading house corporation—to try to stimulate a little more activity.

In the conference there were 450 people, industrialists who are interested in looking at the export market. Some are already in it but wanted to see if there were some new ideas they could pick up. Out of the number who were there roughly 125 to 150 accepted appointments with the various private trading houses that were at the conference with us.

**Mr. Cassidy:** Would it be fair to say that the minister does not agree with the concern expressed by the select committee on economic and cultural nationalism of this Legislature?

**Hon. Mr. Bennett:** Are you referring to their point about nationalism in the industry?

**Mr. Cassidy:** Yes.

**Hon. Mr. Bennett:** We can all be concerned but I also have to temper it with a degree of realism. If I cannot find Canadian investors—investors at home—to go into industrial expansion, who will take up the opportunity from parts of technology, then it seems logical that we should not turn aside the opportunity for employment of our citizens in Ontario.

**Mr. Cassidy:** In other words if Canadian capitalists wouldn't do the job, you'd turn to American or foreign capitalists to do the job? Is that correct?

**Hon. Mr. Bennett:** If I cannot find Canadian investment to open up the industry and the opportunity is available for a foreign investor to work under the rules and regulations of this country and this province, then as far as I'm concerned, we'll accept them here to provide the employment that you and I continue to look for—for the people of the province of Ontario.

**Mr. Cassidy:** And no other alternative has crossed the minister's mind in terms of other sources of investment besides these Canadian investors who he feels are not doing the job?

**Hon. Mr. Bennett:** No other investors? In other words, what you're really getting to is whether the government is prepared to open up the industry itself?

**Mr. Cassidy:** Sure.

**Hon. Mr. Bennett:** No, I must admit that the Conservatives have not been one to believe in government ownership of industries

in a very broad and open fashion. There are some times when we've got involved.

**Mr. Sargent:** When it is good for your friends.

**Hon. Mr. Bennett:** Sometimes we've got involved, Mr. Chairman, because of conditions or situations that happen to come about.

**Mr. Cassidy:** It seems to me you are blinded by ideology. There are certain areas where, in fact, some government intervention may be useful in terms of keeping a developing industry in Canadian hands, rather than allowing a development industry to take place under foreign control at the stage when it's just aborning. And as it grows, of course, the control of that investment remains in foreign hands?

**Hon. Mr. Bennett:** We have used our development corporation, along with the federal government operation, to try to encourage Canadians, through substantial capital being made available to them, to keep the ownership in Canadian hands. It hasn't always been what you would call most profitable or rewarding.

**Mr. Cassidy:** I have one final question, Mr. Chairman. Can the minister explain why, of the 45 senior executives listed on the minister's organization chart, only one is a woman? Does this reflect ministry policy or is the policy changing in terms of the adequate opportunities for women within the ministry?

**Hon. Mr. Bennett:** While at the moment I accept the figure that the member has mentioned, the policy is changing. We have a women's advisory committee which meets on a constant basis, and we are trying to upgrade the positions and availability of opportunities for women within the ministry. It is not something that I am going to say to you can be turned over tomorrow, but as the opportunities become available we will move to secure a woman or women, provided they have equal qualifications and meet the requirements of the job.

**Mr. Cassidy:** How many women and how many men have been hired for jobs paying more than, say, \$12,000 a year in the past year?

**Hon. Mr. Bennett:** Mr. Chairman, I will have to take that question as notice.

**Mr. Cassidy:** Okay, that is notice.

**Mr. Eaton:** My question is along the same line about imports and exports that you were just discussing. You leaned all the time to the



export end, but what I am concerned about is the ministry's policy on import replacement. Are you in fact searching out the products that are coming into this province or monitoring all our imports and saying, "Look, here are items we would like to see produced here"? Are you saying to businesses, "Here are items we would like to encourage you to produce in this country"? Is that kind of research being carried on within the ministry? If so, how are these opportunities being presented to the industries in Ontario?

**Mr. York:** The answer to your question is yes. When we come to the next vote, which covers industrial development and industrial technology, you will see that in the division of industry there is one major branch called technology, in which there are 27 people, each with their own expertise, who are currently engaged in producing the sector analyses studies that the minister referred to this morning.

As part of and corollary to these studies, the question of import replacement is a very large one. That is, in each of the sectors the reports that have been released cover textiles, ferrous metals, electronics and so on. One of their jobs is to identify the major imports and we are currently in the process of doing that. When we put them all together, we then will take a good hard look at how the major imports into the country can be made productively viable, within Ontario.

**Mr. Eaton:** Right now, though, you haven't anything available if a company came and said, "Look, what products do we need here in Ontario that are now being imported?" Have you any information available in that regard?

**Mr. York:** There is a booklet which is entitled, "Statistics for Profit." We would be very happy to give you a copy. It is quite detailed, but if you want to pursue that, we would be very happy to do that with you.

**Mr. Eaton:** This is available to any company, is it?

**Mr. York:** It's available, yes. I might mention, sir, that in May, 1976, we will stage one of the major projects of the ministry; it is called the MO—which means manufacturing opportunities—show. This is a project put on every four years by the ministry in which the imported components are on display and literally thousands—something in the order of 5,000 or 6,000—of Ontario manufacturers pass through. For the last two years we have also invited other provinces to participate. Generally, they look at the imported components

with a view to having them manufactured in Canada. It has been a very large, very successful thing in the past; I think something like \$64 million of imported components were transferred to manufacturing in Ontario the last time it was held three years ago.

**Mr. Eaton:** I am aware of one of those success stories in terms of a company in our area. Unfortunately, though, I feel that they weren't encouraged by our government to do it; they went out and found it themselves. I will say they did get encouragement afterwards, because they got some ODC loans; but they made a 100 per cent replacement of an imported product. I think this is the type of thing we want to see encouraged more.

They also have done the other thing you are talking about; that is, they have opened a branch plant in the United States. It is a small operation but they've done that. They got the financial encouragement but the initial information wasn't there. They searched that out themselves, which I give them full credit for and encourage them to do, but I think some of that information should be more readily available, saying, "Look, here are products that are coming in here. Let's look at them and see if we can replace them."

**Mr. York:** We do that, sir. It is a constant search, a constant effort, an educational effort. We have 21 offices in Ontario. We believe in a decentralized organization where the information goes out to the people. There are close to some 14,000 secondary manufacturing industries in Ontario and obviously you can't get to everybody all the time. We are certainly trying.

**Mr. McEwen:** I don't want to delay this, Mr. Chairman. I'll just ask a brief question on the loans provided, the assistance provided.

**Mr. Chairman:** Is this under ODC? Should this be under ODC, when you refer to loans?

**Mr. McEwen:** I will get to the question. I would like the minister to advise me which he has found the most successful, the foreign or the Canadian firms? Which have received the greater assistance, the Canadian or foreign investors, and where failures have taken place is it possible to acquire the information on those that have had failures?

**Mr. Chairman:** I believe the question should come under vote 2009 and I hope that information would be made available at that time.

**Mr. Conway:** Just a general question to the minister and a brief one, with respect to the

whole proposition of promise and performance within the ministry. I'm thinking of a specific project that the government of Ontario assisted in, and I think rightly and profitably. This relates to Renfrew county's Mount Madawaska project, which I think the minister is very familiar with. As I say, I want to state clearly here that the government exercised a positive role in that development insofar as it brought together many of the interests on a co-operative basis.

What has happened in that particular development—and I'm using this as an example because it concerns me about the kinds of things that can grow out of this—is that the Mount Madawaska development today is in very serious financial difficulty because it has not received the financial support promised through the Ministry of Industry and Tourism because of holdups within Ontario government institutions, particularly the Ministry of Industry and Tourism. More important, the Ministry of Industry and Tourism undertook too very extensive and reasonably expensive studies to outline the growth and development of that particular institution and regrettably the ministry does not seem to be following the advice it obtained in those particular reports.

So in general my question is, using the Mount Madawaska project as an example, can you tell me what you will do to ensure that the performance lives up to the promise in this particular regard, and can we get some assurance today that the imminent dangers that this particular project faces will be avoided and that something will be done to rescue this project from very serious financial difficulty?

**Hon. Mr. Bennett:** First of all, Mr. Chairman, that project started under an ARDA agreement, if you recall, and then we became involved as a government in providing some supplementary information and then two reports, because they wanted to expand on 3,000 or 4,000 or 5,000 acres—I forget the exact number. They wanted to know whether it would be a viable operation, whether it would be profitable. In the meantime, they went ahead, if you recall, and built the ski hill and then the golf course and so on.

**Mr. Conway:** As directed in the studies.

**Hon. Mr. Bennett:** One of the problems that they are faced with there is that some of the management were ill—losses of the manager who took very sick. Where the situation stands at the moment, I would have to review it.

**Mr. Conway:** Would you please do that, because it is in a very serious state at the present time and I know that it would be appreciated.

**Hon. Mr. Bennett:** Did they not close up some part of it this summer? The golf course?

**Mr. Conway:** Yes, they've had to do that. The problem is that the Ministry of Industry and Tourism promised \$90,000 financial assistance, part of which has been granted, but the majority part of that assistance has been held up because of a technicality that relates to the Ministry of Natural Resources. It's been six or eight months now since the situation has developed and it is something over which the Ontario government has exclusive control and something on which we must have action immediately or we are going to face the closing-up of the entire operation, which I think would be a tragedy, because I think we have a good positive start here.

[4:30]

**Hon. Mr. Bennett:** I think that the project has been a very beneficial one for the community.

**Mr. Conway:** Would you please look into that?

**Mr. Sargent:** Mr. Chairman, is there any reason why we can't have pages available?

**Clerk of the Committee:** We should have a page. I'll go and get one.

**Mr. Sargent:** No hurry. This is a very important department, you know.

**Clerk of the Committee:** I know, we should have one. They're a new lot, you know.

**Mr. Eaton:** Eddie wants a coffee!

**Clerk of the Committee:** If you want a cup of coffee I'll go and get you one.

Interjections.

**Mr. Sargent:** What are you doing New Year's Eve?

**Mr. Chairman:** I hesitate to stop the committee discussions for a moment, but I discussed a brief matter with the vice-chairman before starting this afternoon.

I'd like to draw to the attention of the members of the committee that this committee is charged with the responsibility of discussing, reviewing and approving four estimates which will be Industry and Tourism, Labour, Housing and Energy. We are asked to do that within a period of 14 sitting days.



I would just like to ask that all members of the committee consider this, particularly in the evening hours tonight, to see if they would make any recommendation to this committee to see how we should handle this. Whether we'll just go ahead vote by vote, or whether you'd like to set aside so many sitting days for each ministry. I'll bring this up again when we sit tomorrow after the question period.

Do you follow my comments?

**Mr. Eaton:** We're not sitting tonight?

**Mr. Chairman:** No.

Vote 2001 agreed to.

On vote 2002:

**Hon. Mr. Bennett:** I ask that Mr. Mel Garland, the executive director for industry development, be with us.

**Mr. Norton:** Mr. Chairman, if I might. This is not a question, just a comment before we proceed with vote 2002. I have a couple of suggestions that I hope might be of particular assistance to Mr. Cassidy.

I had the opportunity recently to attend a conference sponsored by this ministry; it was held in my riding by representatives of the eastern Ontario office from Mr. Cassidy's home town, Ottawa. I think that many of the questions that he raised with respect to such matters as the incentives and the efforts that are being made to encourage involvement of Ontario corporations in the foreign market would be answered by attendance at such a meeting, and perhaps he could be advised by someone in the ministry when further meetings are being held in his area.

I say that sincerely because I found the time spent at that meeting with the businessmen and manufacturers from eastern Ontario very educative for me as a member in terms of the efforts that are being made by the ministry. I should think from a number of Mr. Cassidy's questions he clearly has not had the opportunity to attend such a meeting, and it might be very helpful for him.

**Mr. Chairman:** Thank you, Mr. Norton. We'll continue now with vote 2002.

**Mr. Gaunt:** Mr. Chairman, just as a matter of clarification, are we taking the entire vote or are you going item by item?

**Mr. Chairman:** That is really entirely up to the committee. I'd certainly be glad to take it item by item if that's the desire of the committee.

**Mr. Sargent:** I think it would be faster, Mr. Chairman, if you went by each vote. It would clear it up quicker, I think.

**Mr. Chairman:** Is the committee agreeable to that suggestion by Mr. Sargent?

**Mr. Eaton:** At the start of each one could we just have an outline of what it covers, so we know what we can talk about under it? They're pretty broad, some of those areas.

**Mr. Chairman:** We'll start off this way; vote 2002, item 1. If the minister would like to explain in three sentences.

**Hon. Mr. Bennett:** Mr. Garland, go ahead—for three sentences.

**Mr. Garland:** This basically covers the industrial research branch as well as the executive director's operation. It's just the combination of the overall administration and the small group that is involved in industrial research facets of the division.

**Mr. Eaton:** Industrial research. What do you mean by industrial research?

**Mr. Garland:** Basically, the research here is in support of the other branches. There was mention made this morning of the sector appraisals that are under way. They were originally done by the technical people in technology. The economists in the industrial research branch then have input—to get an economist's outlook in the straight technical appraisals that were put into action. At the same time they carry on and maintain a record of key industries, maintain position input to the operating division as well as the policy division—information that we could utilize in our policy development and programme administration.

**Mr. Angus:** Could I have a definition of what the term "services" means? I am unclear. To me it can mean a number of things. Just advise me.

**Mr. Garland:** I think as you go on into the different divisions it will vary. Some involve specific programmes aimed at specific problems that industry may have. Some involve seminars. Actually the actual services that we provide through our operating division, the programmes—I guess programmes would be another definition.

**Mr. Angus:** Could that include consulting fees?

**Mr. Garland:** Yes, it would.

**Mr. Angus:** Advertising fees?



Mr. Garland: Yes.

Mr. Gaunt: Mr. Chairman, I want to make some comments with respect to industrial research as it applies to the automobile industry. I'm just wondering if I can do it under item 1 or under item 2. I gather that item 1 would be appropriate.

Mr. Garland: The actual sector appraisal—one of the five that Mr. York mentioned today—has been completed and is being distributed. It has to do with the auto parts industry. The basic technological work was done with the technological branch, and there has been input not only from our own economists in the industrial research section but also from the economists at TEIGA. The idea is that these can, by working with industry, provide as complete a picture as possible at this time. They will be used ultimately as a dialogue with industry sectors, hopefully evolving as quickly as possible some recommendations for a strategy having to do with that industry.

Mr. Gaunt: So, you are suggesting item 2, then?

Mr. Garland: Either one. I think it could apply to this one too.

Mr. Chairman: Either one, then Mr. Gaunt, go ahead.

Mr. Gaunt: Mr. Chairman, I am forced to make some comments on this particular subject because I think we are getting ourselves into a bit of a crunch respecting our energy consumption and what we are going to do about it, hence my emphasis on research. I tend to be a little cynical about the automobile industry because I think they could be doing a lot more about conserving energy by coming up with better carburetors and designing vehicles that don't consume so much gasoline, and that kind of thing.

When we see that 20 per cent of all energy in Canada is used in cars and trucks—20 million gallons of gasoline for cars and trucks in this country per day—against the background of our so-called energy crisis the automobile industry has a very heavy responsibility to come up with some new designs and some new methods. It is imperative that they produce vehicles that are good energy consumers—good in the sense that they require very little to propel themselves down the road. It seems to me, first of all, that the automobile industry has not given the emphasis to this kind of thing that it should in years gone by. Secondly, where it has

developed some research along these lines, you hear about it initially and then the thing evaporates and you don't hear any more about it. I don't know whether it goes on the shelf or whether it's just simply put aside in the interests of big business.

It seems to me that this ministry should be prepared, and I hope is prepared, to move in conjunction with the federal government since the federal government has a responsibility in this particular area too—and perhaps more than the province. I think if the province took the lead the federal government would certainly move along too.

They should say to them: "We've only got a limited supply of energy. We think that you have the technical capability, perhaps in conjunction with government, to develop these things, to develop a carburetor that's extremely efficient in its utilization of fuel. We think you have the capability to develop a vehicle that is streamlined. We think you have the capacity to develop an engine and get away from these great huge engines that we see in our cars today." There is a whole host of things they can do in order to improve energy utilization.

I saw a piece in the paper not too long ago where General Motors had developed a catalytic converter for pollution. That was supposed to be on the market in 1975. That was the last thing I heard of it. I don't know what happened to that. The fact of the matter is that, with the emphasis on pollution equipment that we've had over the past several years, we've been successful in cutting down pollution by about 50 per cent but it has increased gas consumption by about 50 per cent. It the end, we're really worse off than we were before. It seems to me that the day is very fast approaching when the field day is over for the automobile industry in terms of big cars, in terms of big motors, in terms of cars giving 12 or 15 miles to the gallon.

Mr. Sargent: In other words, get out of bed with the oil companies.

Mr. Gaunt: I think that's ridiculous. To respond to that interjection, yes, I think it's just as simple as that.

Mr. Garland: I think we address ourselves to that problem in two ways. One, recognizing that there are 90,000 jobs dependent upon the automotive and automotive parts industry in Canada, primarily in Ontario, our push is perhaps to encourage these people to look at new developments. You have to recognize that the designs are not

done in this country. The auto parts industry is such that it plays a major role. If one examines the major automotive companies one will discover that many of the innovations, the new designs, have come from small suppliers to those companies. Naturally, they've tested them and discovered they are advantageous and ultimately pick them up and put them on the car.

If you address yourself to the energy problem as such, I suppose the marketplace itself is already directing the major automotive companies into coming out with newer and smaller cars. The emphasis is on that and you are seeing that evolving. They are reacting to the situation, mainly because they're not selling their big cars and they need to sell their small cars because those are the ones the public at large would like to have, and have accepted with the coming of the energy shortage.

[4:45]

The other side that is related is recognizing the energy problem and the fact that the day may come when we may not all be able to drive around in our own car and that we put more emphasis on the idea of public transportation and that where we have a technical man involved in the auto industry, we also have one involved in mass transportation trying to identify possibilities in other countries, trying to encourage companies who have expertise in that field to perhaps fill the need that appears to be coming.

Certainly we see very optimistically the fact, if you read the morning paper this morning, that Quebec has already identified this as another sector that it would emphasize in the mass transportation field. It was identified here two or three years ago, because the market in the United States is going to be pretty large and there is a good chance of exports into that field from this side. Our emphasis would go on the side of mass transportation offsetting automobiles, period.

**Mr. Gaunt:** Well, be that as it may. I think you mentioned about 90,000 jobs. Certainly that has got to be a factor; it's a big factor. My point is that if we carry on in the same manner we have in the last number of years, we are just simply going to run out in the next 20 years, notwithstanding the tar sands and all the other business associated with it.

I think there has to be a completely new emphasis. Really, I am not convinced, not for one minute, that there would be any

danger to the 90,000 jobs. There may be a switch in what they do and the products they make, but I don't think we would lose those 90,000 jobs. We will still need cars of one type or another.

All I am saying is that there have been many developments, many discoveries over the past number of years and for some reason or other they haven't seen the light of day. I can tell you that one major car manufacturer apparently has been experimenting with carburetors and has come up with a successful one. They can get about 50 miles to the gallon out of it, but do you ever hear tell of it? I don't know what happens to it; it just vanishes. That's the kind of thing I am talking about.

I can't understand why we don't move in on them and say: "Listen, we will give you two years to produce a car that will give 40 miles or 50 miles per gallon." I am not talking about moving from 18 to 22 miles to the gallon. That's a marginal thing. I suppose they can tinker around with a few things and get that kind of mileage differential.

I am not talking about that. I am talking about breaking through in a major way and coming out with a new design and a better design and a more economical design, because in my view unless we come to our senses and realize that we are going to have to conserve the resources we have got in this country—and indeed in all countries throughout the world—we are going to be in trouble. It might be all right to say there are 90,000 jobs at stake; I am telling you that's all right in the short term but in the long term we are just barking down the wrong pipe.

**Mr. Garland:** Recognizing the problem of energy, it's interesting that I think we have had in the last year and a half probably three firms or groups who presented the idea of the electric car and it's something that we are keeping a watching eye on right now. I think it still has basic problems but I think that that may be one of the answers that would solve the problems you are suggesting. It's the role of the technological specialist in our branch that he would keep posted on that and work with the federal equivalents to make sure that if there is something definitely encouraging coming in that field, then we will attempt to make sure that it stays in the Canadian sphere.

I think Mr. York mentioned this MO show that we have next May. One of the sections in that is involved with inventors. Looking to your point about there being lots of ideas and



they never seem to come to anything, we encourage the inventors to show their products and we do what we can. We publish a bulletin to try to marry them up, as it were, with a manufacturer who will put that product on the market.

**Mr. Gaunt:** Moving away from the philosophical approach, just to be specific for a moment, does your department have a list of the new developments and new ideas that have come forward from time to time? Do you have a catalogue of that kind of thing?

**Mr. Garland:** There is a complete catalogue of patents that has been issued in Ottawa available. We would have a copy.

**Mr. Gaunt:** Do you ever follow up on those things to see if anyone or any company would take up the torch in respect to some of these new ideas?

**Mr. Garland:** One of the major items that the division operates is called a "Manufacturing Opportunities Bulletin" which is broken down into a number of categories. One involve licence agreements which would involve products. One involves mergers and acquisitions which is trying to put a buyer and a seller together on small Canadian companies. One is involved in inventions. In other words, yes, we definitely identify ideas which we consider have good marketing possibilities and we definitely try to find a buyer or a manufacturer for that item.

**Mr. Gaunt:** Have you ever taken any of those so-called new inventions and approached the automobile companies with the idea of trying to incorporate them in their products, where applicable?

**Mr. Eakins:** Did you have Bricklin in mind?

**Mr. Gaunt:** No, I didn't, as a matter of fact.

**Mr. Norton:** Actually, I thought Mr. Sargent was going to suggest that perhaps Bricklin might be moved up to his riding to fill the gap that is being left there.

**Mr. Sargent:** That's a hell of a good idea.

**Mr. Norton:** One Conservative government made that mistake.

**Mr. Garland:** There is an interesting point on that. One of the problems that Mr. Bricklin himself experienced about a month and a half ago, where I think perhaps we could have been of a little more help, was in finding adequate sources of supply. They don't exist in the Province of New Brunswick. It was too

late, but we were able in a matter of four or five days to round up 21 potential suppliers for products for which he couldn't find a source of supply. The problem he experienced is that the public were willing to accept the vehicle but they had difficulty in shipping one off the line with all the parts on it. It was merely a matter of supply.

**Mr. Sargent:** Are you committing the minister now that you will finance this deal?

**Mr. Gaunt:** For instance, as I understand it, there has been a new carburetor developed. I hope my information is accurate. I understand that this has been developed in the last couple of years. Has there been any attempt made to say to the car companies—

**Mr. Garland:** I can think in the last year and a half of two devices—and let's leave it at that, not necessarily a new carburetor—that were making claims about their capability of increasing the gas mileage. We were involved in them and eventually it was disclosed that they didn't do what they claimed to do. We do keep an eye on the whole area of conserving energy. Our technological people look at anything that will help solve our environmental problems in the technical sphere and help with what at the present time is becoming more and more important, the energy side. Yes, we do. If there is a specific one that we can identify and locate, we will do what we can to see who is making it and why it isn't being used.

**Mr. York:** We also use the services of the Ontario Research Foundation with whom we work very closely. Funds are provided for that purpose. I would be very happy to pursue this particular item that you have in mind, if you would be good enough to give me the inventor's name or the name of the company.

**Mr. Gaunt:** I hope I can get that. I don't have it at the moment.

**Mr. York:** I would be very happy to follow that up, because, as Mr. Garland has said, we do process a good many of them. Unfortunately, the claims that are made and receive a great deal of publicity do not—I am thinking of the Gasomiser and things of that description—when put to the severe test unfortunately they substantiate the claim.

**Mr. Gaunt:** You asked for the inventor's name. I think in this case, if I recall correctly—I have the information in my office or some of it—it was one of the major car companies which developed it. But they



haven't put it on the market, I don't know why.

**Mr. Pillgrem:** Mr. Chairman, could I make one comment on this and this is from more of a personal point of view? One of the senior officials of General Motors has been a long-time personal friend of mine; he has since retired from General Motors. During that period of time he was involved in the development of new products of this kind, one of them particularly having to do with carburetors, fuel costs and fuel use.

He said it was very simple for them to produce a carburetor that would produce maybe even 50 miles to the gallon. The unfortunate part is that once they did that it wasn't versatile enough; it had to be a standard and it would not handle traffic; it would not provide pickup for the vehicle. They could do it. They could produce a carburetor and if all the time that carburetor was being used, the car was driven at 50 miles or 40 miles an hour, the carburetor would be very efficient and would burn very little fuel.

Unfortunately, a carburetor must handle a motor at all speeds and at all driving ranges necessary in today's society—and temperature, as Mr. York says—and the various factors which come in. That is what has created the basic problem. They can produce a carburetor which will be very efficient and permit an automobile to run and give, say, 50 miles to the gallon but it won't do the other things necessary in today's driving conditions.

**Mr. Sargent:** They can put a man on the moon but they can't do that.

**Mr. Gaunt:** The other point mentioned by Mr. York was that the Ontario Research Foundation at Sheridan Park does some research. Is there much research being done in this kind of thing or energy conservation generally?

**Mr. Pillgrem:** Mr. Stadelman, the president of the Ontario Research Foundation, is with us. He might care to answer.

**Hon. Mr. Bennett:** That is under vote 2002-2, I think it is.

**Mr. York:** Under 2002-2.

**Hon. Mr. Bennett:** May I make one comment to Mr. Gaunt? In my discussions with some of these firms, particularly the automotive industry, they realize today the pressures are really on them to come up with something because of the rising price of

petroleum and the public demand that more efficiency be built into it. Also in the discussions I note they are concerned to get away from petroleum products for an energy-producing vehicle. They would like to get into something else whether it happens to be electrical or some of the other things they are working on. Some of them are more scientific than any of us could really comprehend at this date, I think. They realize they are going to have to respond and respond extremely quickly.

The other thing was on the pollution emissions and so on. Your remarks are correct. I think the onus is upon industry and governments, through the research corporations, to find and develop a carburetor or whatever it might be called which will give greater gas mileage and will also project for us the type of clean air situation we wish for after the fuel has been used.

It is not a simple problem. In the United States right now the automotive companies are after the president to give them another year of grace on the implementation of some of the new equipment they wish to make applicable in that country. Whether or not it will happen I don't know. It is obviously a problem not only here in Ontario and Canada but indeed, as you said, worldwide. They are all concerned.

**Mr. Chairman:** Mr. Angus, did you have something on item 1?

**Mr. Angus:** Yes, I do. It's an initial comment and I have the feeling I am not the first to make it nor will I be the last. In preparing for this session today I had to go back to the 1974-1975 estimates to obtain the comparison figures for the standard accounts classification. We have the general ones for items 1, 2, 3, 4, etc. However, in detail, getting down to salaries and wages, employee benefits, those kinds of things, we have only this year's. It is kind of a request for future estimates. If that kind of information can be made available to us it would save us at least two hours in preparing for the estimates. [5:00]

One item I did notice was that there seems to be some type of transfer, within item 1, between the services allocation and supplies and equipment. The services allocation was reduced by \$61,000 over the 1974-1975 year while supplies and equipment was increased by \$57,000. I am just wondering, what is the rationale in that?

**Mr. Garland:** That particular item—and it is only an accounting categorization of the

item—is a classification of our literature to do with our phase of advertising; as it were, the number of brochures to do with the energy programme and industrial services. It was taken out of that one group of services and categorized in the one below.

**Mr. Angus:** So advertising is now under supplies and equipment?

**Mr. Garland:** Well, having to do with periodicals and publications. You will find, I think, in most of those you go through that there has been a transfer back. It was just to be consistent and have a standard place for that particular item.

**Mr. Angus:** Okay, when you say publications and periodicals, would this be space in a publication? This type of thing?

**Mr. Garland:** A portion of that would be in there, yes. That is a shared-cost programme among the—

**Mr. Angus:** Periodicals being space that is bought or privately produced, or brochures?

**Mr. Garland:** A brochure like that which our field people would use. One like this that is advertising our energy management programme. We have another booklet called "Doing Business in Ontario," which we use as a base in our discussion with manufacturers who are coming to this country to perhaps locate. So, it is really printing.

**Mr. Angus:** Which in effect, though, is a form of advertising because it's used as a basis of informing the potential clients?

**Mr. Garland:** Yes.

**Mr. Angus:** I am just wondering then, in our original discussion this morning when I asked about the overall cost of advertising I didn't see a specific item. I am getting the impression that a number of the various items do have some form of advertising included within them. I am wondering whether it is possible at the next meeting of this committee, or before we do finalize, for us to get an indication of the amount that is specifically allocated to advertising, because I have to assume under supplies and equipment that there is much more than brochures and those types of things; that there are other things that are included as well. It is possible?

**Hon. Mr. Bennett:** I would think it is.

**Mr. Sargent:** You don't know definitely?

**Mr. Pillgrem:** This is quite possible. You realize that the booklet you have in front of you now covers tourism, trade, industry? So each one of those particular divisions picks up its share of the cost.

**Mr. Angus:** I appreciate that.

**Mr. Pillgrem:** So it is a matter of putting that together. Mr. Ritchie, would you take that under advisement to have it available for us.

**Mr. Angus:** Just as a parting comment to my colleagues behind me, I have the feeling that the people of Ontario should be aware of what is spent in that kind of way. I realize these are general guidelines of the accounting classifications provided to all ministries but I think it is important in light of the information in the review and some public concern about where tax dollars are being spent.

**Mr. Chairman:** Shall item 1 carry? Carried. Item 2. Mr. Eakins indicated he had some comments.

**Mr. Eakins:** Yes, Mr. Chairman, my question is compatible with what Mr. Gaunt has been speaking about. That is, Mr. Minister, could you provide us with a description of what projects have been undertaken by the Ontario Research Foundation in the last year. If you could provide me with a complete synopsis for future reference, this would be fine. But for the moment, I would like to know what developments have been made that can be expected to render benefits to the province. I would also appreciate at a later point, information on what projects by the foundation have, in the last few years, been applied in a practical way.

**Hon. Mr. Bennett:** I will ask Mr. Stadelman to answer your question. Just one brief comment. As you will appreciate, the Ontario Research Foundation does not exclusively work for the government. Their services are rendered to the private sector who pay for the service performed by ORF on a fee basis.

**Mr. Eakins:** But there was a grant to them.

**Hon. Mr. Bennett:** Our grant is and has been, for a long-standing time, for each dollar earned, the government pays \$1 toward keeping the research foundation in place so that it can respond to the requirements of my ministry, or any other ministry of the government, on developments that we

think are essential to be reviewed by an agency that answers indirectly—I say indirectly because it's an arm's length from government—on what the benefits could be of the development. Some of the projects, you will appreciate Mr. Eakins, are private concerns and do not belong to the dominion of government.

Mr. Eakins: I was thinking of it as compatible with this department.

Hon. Mr. Bennett: Yes, okay, I will ask Mr. Stadelman to maybe quickly—

Mr. Stadelman: Of the grant that we receive from the Ontario government about 50 per cent was used for what we call backup research, which permits the staff to keep abreast of new developments in their particular technical field. About 40 per cent was for the development of capabilities in new fields of technology other than the ones that we are in at the present time. Perhaps about five per cent is developed toward taking new ideas to the commercial application stage—we generally do not spend any more than \$5,000 to \$10,000 in this sort of thing, feeling that all we should do in this area is get a preliminary view of its technical and economic feasibility with a view to then interesting industry or various other government departments—

Mr. Sargent: Out of \$3 million, you spend \$5,000 on new ideas?

Mr. Stadelman: No, no, on any one we spend about \$5,000—to bring it to the stage where we can present something in a more concrete form to a potential manufacturer.

If we turn to what new products have we been concerned with in the last year, I could run down a few of them for you in collaboration with Dr. Ian McNab of Wellesley Hospital. We developed a porous coating for prosthetic implants—for your shoulder joint, for your hip joint, or for any other metal insert in the body. This porous coating allows the bone to grow into the metal implant and therefore the bone is anchored much more solidly. The original concept was that of Dr. Ian McNab, and we took his concept and clothed it in the necessary metallurgical technique to do this.

As a result of that Deloro's Stellite, a division of Canadian Oxygen, established production facilities for the new process at their Belleville plant, and will be manufacturing these implants for world sales. We developed for St. Lawrence Cement, a precipitator for dust—to agglomerate it for easier

disposal. We did the same thing for Union Carbide to agglomerate silica dust in one of their plant operations so that it could be disposed of more readily. For Anglo Traders Ltd., we developed a method of combining a flame retardant with a water repellent for the treatment of canvas, which they now use for tents and tarpaulins. The canvas so treated has two almost opposing properties—it will repel water and flame won't propagate on its surface.

For the American Electroplater Society, we developed a method of removing the nickel still remaining in wastes from electroplating lines, and this has been used by Marsland Engineering, and Northern Electric and Electrohome. We developed a special machine for Long Manufacturing, who make heat exchanger plates used in automatic transmissions for trucks. We devised for United Flexible of Canada Ltd. a machine that would allow them to manufacture special bellows used in the atomic energy electrical generating plants.

For Metro Sportswear we developed a machine for accurately weighing and displaying the very expensive down that is put into insulating clothing. We developed an automatic timing device for chlorinating swimming pools.

You are all familiar with the toilets you see on construction and other difficult sites, the things they call Johnny-On-The-Spot. We developed a special one for Burlington Leasing. They had this product previously manufactured in the United States and brought into this country.

For Proctor-Lewyt of SCM Canada we developed a rake cleaner head for use—

Mr. Sargent: That will all be in the report, won't it?

Mr. Stadelman: Yes, those things are all listed in the annual report. Those are the practical results in the private sector of the results of the work that was started here with the grant we received from this Legislature. The grant from this Legislature constitutes about 30 per cent of the income of the Ontario Research Foundation. The remainder is work we do for other people. Of that work, 70 per cent is for the private sector, about 15 per cent is for the federal government and about 15 per cent is for the Ontario government.

Mr. Eakins: Thank you very much.

Mr. Sargent: Mr. Chairman, I've had contact with the Ontario Research Foundation, and I want to say that they sure as hell serve



you to death when you ask them to analyse a problem. A constituent of mine wanted to know something about fire logs and compositions from sawdust up our way. I want to say of the material I got that I didn't want to know that much about it. They really do provide service.

My concern is that the main, in American administrations, industry itself does its own research, and I don't think that it's in our domain to spend public funds for this type of industrial research. If it's \$3 million, and they have perhaps a \$10 million budget, I don't think it's our right to use taxpayers' funds for industrial research as it were. Or if it's medical research it should go under that phase.

But I do want to say that they do a thorough job. Maybe they're trying to impress me as a member, I don't know.

Is there a federal research department?

Mr. Stadelman: In Canada?

Mr. Sargent: Yes.

Mr. Stadelman: The National Research Council is the federal research arm; it is a very substantial size. The total budget is about \$180 million a year, of which about \$125 million is passed on to the universities.

Mr. Sargent: What can you do that they can't do?

Mr. Stadelman: We are designed primarily to conduct research and development for the private sector and for government.

Mr. Sargent: What would happen if you didn't get the \$3 million from the Ontario government?

Mr. Stadelman: The services we provide to the private sector would be curtailed substantially.

Mr. Sargent: Going along, what is your total budget? Did you say about \$10 million?

Mr. Stadelman: It's \$8.5 million.

Mr. Sargent: Every province probably has a research foundation. Is that correct?

Mr. Stadelman: All except Newfoundland and Prince Edward Island.

Mr. Sargent: I see. What about the carburetors that have been held off the market? Is it the truth that there are carburetors being held off the market?

Mr. Stadelman: None that I have ever known.

Mr. Sargent: You haven't heard of that?

Mr. Stadelman: No. I could only underline the statement that was made, I believe, by Mr. Garland and later by Mr. Pillgrem in this matter. One hears of many carburetors which somehow or other disappear under actual tests. I have never seen or heard of a carburetor that would perform these wonders that I hear about.

Mr. Sargent: I didn't get that.

Mr. Stadelman: I'm sorry. I have never heard of or seen a carburetor that would perform anything like the ones that every once in a while you read about in the paper. I've never seen one. They've never come to us. We've never seen one, and we've tested carburetors for various people at various times.

Mr. Sargent: Why all of a sudden do we have General Motors marketing a carburetor that will give 38 miles to the gallon? Why all of a sudden does it happen now? Why didn't it happen 10 years ago? Wasn't it available then?

[5:15]

Mr. Stadelman: Why are we getting better mileage now than formerly?

Mr. Sargent: They are getting 38 miles to the gallon now, with the new carburetor they have got.

Mr. Stadelman: What size of car?

Mr. Sargent: It's a compact.

Mr. Stadelman: I think there are automobiles on the market right now that will give you over 38 miles to the gallon.

Mr. Sargent: I would like to say this, Mr. Minister, in this regard. I think that your ministry could do what Murray Gaunt was talking about. It could do a great service in energy conservation if they would in some way have penalties against any manufacturer in this province who was holding a unit off the market—in collaboration with the oil companies—that would conserve gasoline. You should have strong penalties and make them aware of them. I know that that isn't feasible, but there should be some thought given to it. You can't tell me that with all your technology today that we can't come up with a new carburetor. I have been in California with the Lear people down here. I have driven a steam car that will operate on a cup of water.

Mr. McCague: For how long?

**Mr. Sargent:** It will operate to infinity. They are bringing them on the market, but it is something that your technology should get into. If you are going to give these people money, let's give them a target and tell them to come up with something. It is unbelievable that we can't do it with all the technology we have today. There should be penalties from your department, from the government, for manufacturers of cars in Canada, in Ontario, which would knowingly withhold such a development. Give a big reward to anyone proving that these things are available to the public.

**Mr. Angus:** Mr. Stadelman, there has been a controversy in my riding and the riding of Jim Foulds regarding the asbestos situation in Lake Superior. The Ontario Research Foundation and two other groups have come up with diverse results from the same sample. From what I understand, it either makes Thunder Bay the least polluted area in the province or the worst. I understand that there is some work being done to develop an acceptable rating or analysis method. Could you please elaborate for me?

**Mr. Stadelman:** Certainly, I would be pleased to. The foundation started looking at the problem of asbestos fibres in various food products and liquids three or four years ago at the request of, I believe, the government of Ontario.

The problem of analysing asbestos in water is extremely difficult. They give you these large numbers of 300,000 fibres per litre. It is apparently a very large number, but if we talk in terms of percentage by weight, it is almost infinitesimal. It's in parts per billion.

The next problem that you run into is that the asbestos fibres in your drinking water are so small in diameter that they cannot be seen by optical microscopes. They have to be seen by electron microscopes. That's the next problem that is introduced.

When you take a sample of water and separate it out in fibres, you must identify each and every fibre that you have separated. We at the foundation have always identified each fibre that we have counted to determine whether, indeed, it was asbestos or was not. Some of the analytical procedures recognized all fibres as being asbestos. Our experience indicates not all fibres are asbestos. They make no assumption in their analysis.

**Mr. Angus:** Do you have indication of what the other fibres are?

**Mr. Stadelman:** They can be anything of organic nature. For instance, parts of animals, etc.

There is another very serious problem when we are talking about such little amounts—and we are also talking about fibres. When you take a sample, as I believe the Ministry of Environment did, and submit it to three people, I could raise the question of whether indeed the three samples were identical, because sometimes the fibres agglomerate, stick together, and it may well have been that the sample that went here had some agglomerated fibres in it and they'd probably have a lot more than someplace else.

That's the basic problem and it's a very difficult one. Contamination is very easy and we have taken a great deal of care to see that our analytical procedures do not detect contamination from other asbestos sources.

I might also say that we have carried on asbestos fibre analysis for the EPA, Environmental Protection Agency, in the United States for a number of years in one of the few laboratories accredited by them. The next statement is, both the federal government of Canada and the federal government of the United States have put money at our disposal to investigate all aspects of potential errors in this method of analysing for asbestos fibres. All I can say is it is an extremely difficult and time-consuming procedure, involving collecting these fibres, a very small amount in the water, and then identifying each one, and each fibre is identified with an x-ray psychrometer, which is very difficult. Does that answer your question?

**Mr. Angus:** Yes, basically that is the information I was looking for.

**Mr. Cassidy:** I would like to ask the minister, what has been the reduction in energy use by industry in Ontario? I believe that US industry has reduced its energy consumption by about 75 per cent in the past year. What success have you had with your programme here?

**Hon. Mr. Bennett:** I take it, Mr. Cassidy, you are referring to the vehicle, the mobile programme that we had across the province doing surveys? Mr. Garland will get me the facts and figures, and the number of inquiries. Do you want to read that out now, because you have the figures?

**Mr. Garland:** I think in the two months that it has been in operation there have been 25 calls actually made. They've identified potential savings, and I will define that, of roughly \$700,000. It is up to the companies themselves to put these identifiable savings into practice. It's indicating an existing potential saving of roughly 13.54 per cent just in the two months it's been in operation.



**Mr. Cassidy:** For those particular industries?

**Mr. Garland:** Oh yes, and the programme is being extended through our field operations, ultimately right across the province.

**Mr. Cassidy:** Do you know what the reduction in energy consumption by industry in general has been across the province?

**Mr. Garland:** There is no specific figure here, but perhaps it could ultimately be identified for you. There are many industry associations that are working on their own programmes of energy conservation without our involvement. In other words, this energy ran is an added service, but there are groups where there is a need to reduce costs and they are actually working on it.

That's been going on. I think it's one of the tools the companies use continually to reduce their costs by conserving energy.

**Hon. Mr. Bennett:** A very important thing that Mr. Garland says about this whole problem, and I had a chance to go through a couple of the surveys that they've made—is that it is all dependent upon the individual, the owner, to implement the suggested directions to come up with the energy savings that have been projected for him. We will continue to follow up with them. Obviously some of them are going to have to have some follow-up to further advise them as they start to do the changeovers or corrections.

I can say that most of the industrialists we've visited, judging by the letters we've received, have been extremely pleased that somebody has come in to help them. They couldn't afford to have gone out and hired a consulting firm on their own to do the entire analysis. I have no doubts that some of them would be in looking for loans through the development corporations to assist them in making some of the structural and mechanical changes to overcome the energy losses they are experiencing.

**Mr. Angus:** Is the programme voluntary in that they call the ministry, or does the ministry go in and say, "We have got this to offer; do you want to get involved?"

**Hon. Mr. Bennett:** Both ways. You can appreciate there is a limited force at the moment, but we have had people who have requested that the government go in. On the other hand, we have had our field workers who believed from going through the plants on previous days that there was an essential requirement for somebody to explore heat

loss, waste through the wrong type of generating of power—I am referring to motors—and so on. We look at it from both angles.

**Mr. Angus:** How rapidly is the programme expanding in terms of being able to provide it to the industries of Ontario?

**Hon. Mr. Bennett:** At the moment I suppose the best expression is that we are getting our feet wet to find out how quickly we can produce these reports for people. We have to train our personnel. As you know we are using students in the assistance programme from the community college who back up our professional helpers.

**Mr. Angus:** Which community college?

**Hon. Mr. Bennett:** Mohawk. I think once we have a chance to analyse a complete period of operation we will be able to recommend to the government whether we should expand and at what rate we should expand. But you must have people qualified to operate the units or it is a waste of time, energy and money.

**Mr. Angus:** Is it just happening in the Metro Toronto area now?

**Hon. Mr. Bennett:** It hasn't been in Toronto; it has been in eastern Ontario and it has been in other parts of the province on request. I think you will appreciate that what we have been trying to do is schedule it so that there is as little time spent in travelling from one end of the province to the other. In other words, if it is going to be in eastern Ontario, let it be there for two or three weeks and then take it into the northern part of the province, once we have a list of requests either voluntarily or through stimulation by government people.

**Mr. Angus:** Has it been into the northwestern Ontario area yet?

**Mr. Garland:** No; there has been a request on file from that area. At the present time the schedule is that it is in the Kitchener-Galt-Guelph triangle area. It will be moving into southwest Ontario pretty well over the winter months. It is planned to be up in northwestern Ontario, if I remember, starting next June.

**Mr. Williams:** Mr. Chairman, coming back into the Ontario Research Foundation specifically, I am wondering to what extent, if any, the foundation has been involved in investigating another form of pollution that has received some publicity of late. I am re-



ferring to mercury pollution in the rivers and lakes up in the northwestern Ontario region.

**Mr. Stadelman:** We have been involved. We have done a number of analyses both for government and for private people up in the region of northwestern Ontario for mercury in fish and fish in particular.

**Mr. Williams:** I think the federal government initiated a study after some pressure was brought to bear by the Indian community in that region. Was it at that time that the Ontario Research Foundation got involved on the initiative of the Ontario government or by the companies that have been singled out as being the particular possible polluters? Where did the initiative arise from?

**Mr. Stadelman:** I can't answer your questions off hand. I would have to refer to people under the lab. This was about three or four years ago. We were one of the first labs that did this mercury analysis.

**Mr. Williams:** Have you concluded your particular research on this particular problem for the government or for the industries, or is this ongoing?

**Mr. Stadelman:** We are prepared to do mercury analysis at any time people want us to do analysis in fish or other things. There is an ongoing programme through the federal government having to do with various pesticides or heavy metals in wildlife or in food. We are carrying on programmes for the federal department and have done so, I guess, for about eight or nine years. Part of this is developing new analytical techniques. You are familiar with—there are so many things now that we find—DDT, of course, is sort of past but that was once—  
[5:30]

**Mr. Williams:** I believe, as I was saying, it is one of the pulp and paper companies which has been singled out. I believe the federal department, the pulp and paper company in question and, I think, an independent group of experts from a foreign country all had different findings in their mercury pollution investigations. Were you involved in the results published by the private company or by the Ontario government?

**Mr. Stadelman:** We did some work for a private company, I know. What they did with their results I do not know—I presume they used them at various places to their advantage at times. That was five or six years ago I think.

**Mr. Williams:** Was any report published by the provincial government with findings which conflicted with the work you did for the private company?

**Mr. Stadelman:** I would have to ask my staff. I couldn't answer that. I know the work we did for the private sector was for a lodge. The lodge sent us samples of fish they apparently caught.

**Mr. Pillgrem:** Mr. Williams, could I go a little further on this one? I know there is a great deal of work being done by the Ministry of the Environment and our own Ministry of Natural Resources. There is continual checking of fish. It's a continuing process in that area now. In the work mentioned by our own Research Foundation, they are actually using the federal lab in Winnipeg for providing the analysis because it is adjacent to that area. This is a continuing project; it's going all the time. It is a very vital one at this particular moment but it is not only work being done by the Ontario Research Foundation.

What I would like to put across is that the Ministry of the Environment and the Ministry of Natural Resources are continually checking the fish in that area, in conjunction with the federal government as well, using the federal facilities for analysis as well as our own facilities. This is a very live project at the present time.

**Mr. Williams:** My last question, perhaps, is has any corrective action been taken by the companies which were singled out to minimize or reduce the degree of pollution which apparently had been proved to have taken place in that area?

**Mr. Stadelman:** I couldn't answer that.

**Mr. York:** A department of the Ministry of the Environment, sir, maintains a close watching brief on all of these matters.

**Mr. Williams:** Were any directives issued to the company to refine or modify its methods of operation to minimize the—

**Mr. Pillgrem:** Yes, very definitely so, sir. This pollution in that particular section came from the Dryden area primarily, or that is the understanding. The Dryden company—the Dryden Paper Co.—has now put into operation changes in facilities and in operation which are, I believe, meeting the standards set by the Ministry of the Environment.

**Mr. B. Newman:** Mr. Chairman, I wanted to ask the minister or his officials if there

are any studies concerning PVC—polyvinyl chlorides—and the substitution of some other product in their place as well as maybe improved methods for their disposal. It is an increasing menace not from an environmental point of view but to our ability to stay on this planet.

**Mr. Stadelman:** With funds from this government, we have developed analytical techniques for a number of the organic pollutants found in small parts in wildlife, etc.—like PCB etc. We don't get around to the problem of control of effluents and that; that falls within the Ministry of the Environment. We get involved in it really as analysts or as technical people advising on techniques to avoid it. The control aspects, and that sort of thing, are all by the Ministry of the Environment and not by us.

**Mr. B. Newman:** Have you attempted to develop techniques for the disposal of polyvinyl chloride, rather than having it shipped through to Buffalo for disposal from Ontario?

**Mr. Stadelman:** Not that I know of, no.

**Mr. B. Newman:** I understand there is a substantial quantity of it being shipped through to Buffalo for disposal, Ontario not having facilities.

**Mr. Stadelman:** I am not familiar with the problem, but I will find out.

**Mr. B. Newman:** I would appreciate that.

**Mr. Eakins:** I may have missed some of the earlier discussion in regard to mercury. Has there been a sharing of information or of research with the Japanese people who have had quite a bit of experience in this field?

**Mr. Stadelman:** On that particular thing—and the problems of the Indians up in the northwest, the mercury poisoning, the visit of the Japanese—I am no more familiar with it than you are. All I find out is what I read in the paper. Our aspects of this has been really as an analysts for whoever has submitted samples to us. We determine the level of mercury, or whatever, in the particular samples.

**Mr. Eakins:** In arriving at the problem as it affects say industry or tourism, Mr. Minister, are you aware of any working together with the Japanese people who have had this experience?

**Hon. Mr. Bennett:** I will let Mr. Pillgrem speak on it. He's been on a committee which has been studying the overall programme and

who is doing what in relationship to the problem in the north.

**Mr. Pillgrem:** I believe it has already been announced that a group of doctors and technicians are leaving here this month to go to Japan to become as up-to-date as they can. The ministers of the Environment and Natural Resources met with the Indian bands about two or three weeks ago here in Toronto. I believe they are again meeting the Indian people in Kenora on Friday of this week. As for the co-ordination of effort between all ministries and the federal government, I think it is at the highest level at the present moment.

This is a problem that is a little beyond comprehension in some areas at the present moment because, as you may realize, they have found mercury in lakes that have not been polluted, if I can put it that way. There is no evidence of a plant or anything of that nature putting mercury into this system. This creates some little bit of confusion as to how it ever got there in the first place: Is it a natural thing? It is a severe problem for us. As you know, in those lakes or in that stream area, the Wabigoon and the English rivers, they have stopped commercial fishing and I guess they stopped commercial fishing over two years ago.

**Hon. Mr. Bennett:** It was 1970, wasn't it?

**Mr. Pillgrem:** It was in 1970, I believe; maybe five years ago. There is still sport fishing permitted in those areas, but there is a heavy advertising programme to indicate that you shouldn't eat the fish. In addition to that, in order to provide some help to the Indian bands in that area, the Ministry of Natural Resources put in rather massive freezers. They supply those freezers with fish, good fish, that had been netted in other areas in order to ensure that those Indian bands have a continuing supply of protein for their diet.

What the next steps are going to be I am in no position to say because it is part of Natural Resources and the Ministry of the Environment and our policy field that is working on this very directly. The part of all this I object to is that they always call these meetings at 7:30 in the morning and for an old geezer like me, that is awful early to come to work.

**Mr. Chairman:** Are you finished, Mr. Eakins?

**Mr. Eakins:** Yes. I was just going to say it is good to know that there will be no problem of co-operation at the highest level and



even with the Japanese people who have experienced this.

**Mr. Pillgrem:** They are taking advantage of the Japanese experience.

**Mr. Wildman:** I was wondering what is the involvement of your ministry in plans to replace the economic base of the English and Wabigoon area since, as you pointed out, commercial fishing, which was the main source of income for the native bands in the area is no longer allowed. What plans are you making to develop other viable forms of income for the bands?

**Mr. Pillgrem:** You are asking a very difficult question for me or anyone in this ministry to answer, and that is primarily why we are a part of this study group.

You will remember the Armstrong proposition. The closing up of the federal radar centre in that town, which is north of Thunder Bay, put a number of people out of work. Everything we could possibly do from this area was done. We studied the idea of craft centres. Natural Resources freed up timber for local people to operate. I will be very frank with you, sir: We found it less than successful in any one of the areas. We found it was almost impossible to move the people to jobs even if we paid the cost of moving them to jobs.

**Mr. Wildman:** I understand the native people don't want to be moved.

**Mr. Pillgrem:** They don't want to be moved in many cases. In the Armstrong area it was not only native people, of course; there are whites there too.

It is a difficult problem, and Natural Resources and our people are working directly on it. It is all very fine to say we are going to build widgets up in the Wabigoon-English River area or put in a plant to do thus and so; it is another matter to build them or do those things at a cost which will permit them to be sold.

Transportation is such a major factor in manufacturing in areas of that kind. It is a deep concern of ours and frankly I wish I knew a whole lot more answers. I don't know whether Mr. Boyer can add anything to that at the present moment.

**Mr. Boyer:** No, I can't, sir; except that we are having breakfast at 7:30 tomorrow morning as well.

**Mr. Pillgrem:** Are we?

**Mr. Wildman:** Can you tell me, have the bands themselves made any suggestions re-

garding alternatives to provide income for the area?

**Hon. Mr. Bennett:** Not in the brief—and I was looking at some of the material the bands collectively have put together and submitted to the ministries, more specifically the Ministry of Natural Resources and to my ministry. They don't zero in; they just say to find some alternative.

As Mr. Pillgrem has said, we have been exploring the expansion of the timber industry: Can we put a sawmill in that the native people can work and things of this nature. It is fine to build a sawmill but if nobody wants to buy lumber—and I can tell you right now if there is any one item in the market that's in low demand and has high volumes of stock, that is it.

We go through all of these areas. Certainly government is prepared to underwrite to some degree some type of an operation, but we want to make sure we are just not producing for the sake of producing. If we are only trying to create jobs we are not going to do much better than just being on the welfare system. We don't like the welfare system and the native people don't like the welfare system; they prefer to be working. We are exploring, along with the private sector, the possibilities of opening up some new ventures.

As Mr. Pillgrem has said, we have gone through a multitude of things. Armstrong was a fine example. We spent months with the people in the area, consulting both native people and those who had been brought in from the south to work on the radar station; and even collectively with all the ministries and the outside sources. While the things we came up with had limited possibilities, the employment at them was even more limited and they weren't viable.

I suppose you have just got to come to a decision: Is it better to close Armstrong, for example, and move the people into Thunder Bay? At that time, I can assure you, there was the opportunity of employment there because some of the people in the shipyards and various other places were looking for help, not necessarily skilled; any degree of qualification would have been acceptable. Those are the decisions that have to be made. The native people obviously are not going to move; they have been moved before and they are not receptive to moving again.

**Mr. Wildman:** Are there any plans for retraining?

**Hon. Mr. Bennett:** Yes. This will be part of the ongoing discussion: If we are going to retrain them, what are we going to retrain



them to do? A great number of them are guides for the tourist operations in the north, and it can be argued backwards and forwards as to whether it should be allowed to continue or not. I can tell you we hear violent arguments from both directions. I can also tell you that it becomes very confusing because the same people who argue against it will argue for it because of the livelihood and one thing and another.

These are decisions that government is going to have to come down on very firmly and which are not going to be altogether completely acceptable.

**Mr. Wildman:** Do you think that lakes farther in which have not been affected by the pollution might be opened to tourism and the tourist operations that were operating in the English River-Wabigoon area could be moved?

[5:45]

**Hon. Mr. Bennett:** That was suggested back in 1969 or 1970 when the first severe notice of the mercury problem became apparent to us. Some operators said they didn't have that kind of money, to re-establish themselves. We were prepared to lend them money through the development corporation at long-term low interest and in some cases with no interest for a long period of time. Again I say to you, that native people weren't altogether receptive to moving.

**Mr. Wildman:** I understand that.

**Hon. Mr. Bennett:** As Mr. Pillgrem said, and I'm certainly not an expert on it, there have been some water samplings taken in certain lakes where industry has had no part to play with the drainage to it. In other words, it is a natural situation. We found a mercury count that is alarming. What everyone is now trying to figure out is where it is coming from and how much of mercury are we dealing with? Is it natural or is it not natural?

It concerns us because of tourism and also members coming from the ridings which they represent. If we find the problem in more places than where we believe it is at the moment, it really becomes a very severe and difficult economic question to answer.

**Mr. Pillgrem:** It's a difficult medical problem too, if I could just add another one. They can talk at the present moment of 0.5 parts per million as in effect the danger level, but even the medical profession is not satisfied with that yet. There still is a great deal

of discussion going on as to whether it should 0.05 or 0.02 or 0.03 or whatever it might be. It is a very difficult question for all concerned at the present moment.

The Ministry of Health and the Ministry of the Environment are basically the lead ones in this area. We're deeply concerned for the tourist industry in that particular area. One of the aspects that causes this problem is the fact that while it might not be really very dangerous for you and me to go on a week's fishing trip, or a 10-day fishing trip in that area and eat fish maybe once a day for 10 days once a year, the unfortunate part is that the guide who is with you is used to eating fish once or twice a day. He has a shore lot and eats fish basically every day. The Indian people are saying: "How can you expect our people not to eat fish when they see other people coming in and eating fish without any real hazard." I wish we all knew the answer to that one.

**Mr. Wildman:** I understand that was a problem, but surely the Ministry of Health and the Ministry of the Environment are carrying on the usual programmes.

**Mr. Pillgrem:** Oh yes, continuously.

**Hon. Mr. Bennett:** It's a natural process.

**Mr. Pillgrem:** It's very active.

**Mr. Angus:** Don't you think the Japanese have done a better job with the natives than we ever did in our attempts?

**Hon. Mr. Bennett:** I have had the opportunity, and I'm sure most in the room have had the opportunity, of reading the articles that are in Maclean's Magazine and Saturday Night about two or three weeks ago on the overall problem. It was very interesting reading. While the Japanese appear to have greater expertise in it than we have, I'm not sure that all the analysis they are able to come up with can be conclusive.

**Mr. Angus:** What I was referring to was the fact that they made the native people much more conscious of what the problem really was. As opposed to us trying to describe what would happen, they came over and said: "This is what it's really like."

**Mr. Pillgrem:** But even long before that we had, in effect, provided alternate types of food for them. The freezers were in long before the Japanese people ever came. Frankly, the Indian people just shrugged their shoulders. I will be very frank with you, there are a couple of areas which cause us some con-

cern because some of the Indians are even fishing and almost flaunting the whole thing. They are eating the fish anyway because maybe it was a little easier to get than it was to get them out of the freezer. That is about the size of it. This has brought it more to the minds of the Indians themselves that there is a concern, there is no question about that.

**Mr. B. Newman:** I wanted to ask about this freezer issue again, because from my recollection there was quite a bit of discussion in the House earlier this year about the fact that a few freezers had not been distributed in the area.

**Mr. Pillgrem:** They are definitely there and have been there for some time.

**Mr. B. Newman:** If I can recollect back earlier this year we did discuss that in the House and there was quite a substantial discussion about the fact that freezers were not distributed into the communities.

**Mr. Angus:** They were worried about who was going to pay for them.

**Mr. B. Newman:** Yes, there was something on that.

**Mr. Pillgrem:** I have distinctly heard the Minister of Natural Resources (Mr. Bernier) complaining that they cost \$140,000. They're there and they're operating now.

**Mr. B. Newman:** That may have been during the election.

**Mr. Angus:** Can I have one additional comment? I don't wish to drag this on any further, but there was one remark, Mr. Minister, that you made in terms of the viability of establishing new bases for jobs within that area. You talked in terms of the economics that made it feasible to establish a new industry, if we can term it that. I would like to suggest to you that we have to re-evaluate our formulas in this case, because we have a human element involved and the human element is very hard to put down on paper in terms of percentages or dollars. I appreciate the question now, because of mercury being found in other areas where industry hasn't been in. However, I don't know if we'll ever know the exact cause. We may find, now that the Dryden Paper mill is recycling its mercury, we may find a decrease in the waterways. I would like to suggest that the people of Ontario and the owners of the Dryden Paper Co. has a responsibility to replace that economic base for the native people. I'm very disappointed that in the past we've seen the hassle about whether it's a federal jurisdic-

tion or a provincial jurisdiction or just who's responsible. I think that we must, take the leadership, shall we say, in re-establishing a firm economic base, and I'm prepared to say at what would normally be termed an unreasonable cost.

**Mr. Chairman:** Does the minister have any comments?

**Hon. Mr. Bennett:** Yes. The comment I make is that the proposition, while I'm not going to say at some unrealistic cost, I think as a representative of the general taxpayers of the Province of Ontario we have to be able to say to them we can do certain things at a general cost to your taxpayers, in the light of conditions that have come about, not created by the individuals who are now being harmed. I think we still have to put realistic limits on it and be able to come up with some alternatives.

The alternatives may not altogether be acceptable; I fully recognize that. I think of Serpent River, a community where there was a high unemployment factor created by various things in the community. We discovered that there were a great number of people there who had talent in the craft industry, and so we have invested money in setting up a craft plant to create employment for both on-site work—that is at the old schoolhouse that we're using for a craft centre for production of goods—and, indeed, we've also been able to offer employment in what we call the cottage trade, at-the-home trade. This is the area which we will be exploring with the native people as well.

You and I have travelled through the Province of Ontario, and if there's one thing, Bernie, that we find being sold by the novelty shops and so on it is goods that are supposed to be a handicraft of Ontario, or at least it is implied that's what it is, made in Japan or some other country. We think it's essential and important that we try to use some of the resources, human resources, in expanding the craft industry for two things: It creates employment at home and also serves what I think is a void that presently exists in our retailing. Those are areas we're trying to work on. We think they might have as good a long-range possibility as any.

There again, there has to be a desire on the other side to want to try to make it work. Government can't do it all, regardless of how much money you put in.

**Mr. B. Newman:** Mr. Chairman, I wanted to ask of the minister, to what extent is the ministry looking into the one-industry town situation in an attempt to diversify? The



minister knows where I come from, as do your assistants there. We always hear of the auto industry, and especially the city of Windsor being the one-industry town. It's feast or famine. When the economy takes a downturn and people aren't purchasing automobiles, then there are 15,000 or 16,000 or some substantial number unemployed. Should we not at this stage of the game be looking into the situation of probably finding other types of industry which could be attracted to the community and which could use the skilled manpower, the facilities, the technology?

For example, right now the tool and die trades are sort of depressed. Fellows from the community come to the Toronto area and don't seem to have difficulty finding jobs in the tool and die trade. But it is pretty hard for a fellow who has been in the tool and die trade for years and years to pull up roots all of a sudden and come to the Metro area when he has a substantial investment in the community by way of a home and other things. To what extent is the ministry attempting to assist either the industrial commissioners of the community or the industry itself in diversifying; or is that possible?

**Mr. Garland:** I think it is quite possible. You spoke of the tool and die industry and you know I was involved in it for five years.

**Mr. B. Newman:** Right.

**Mr. Garland:** I think one of the problems they have—they have probably the best technology in North America located in Windsor and there are a good number of people dependent on it—but unfortunately, I don't know how we would make them diversify and not look completely at the automotive industry. I think the problem is there are lots of other industries—you take the white goods industry—that they could and should do work for. But whenever the opportunity comes and there's a choice between two, one being a particular little shop—it usually is small shops in that field—they elect to go with the automotive. They become almost a slave to it in a sense. There is a need to try and encourage them to diversify and get involved in those other fields.

I think what we have, hopefully, in these sector analyses that we are coming up with—and this is not a short term programme; this is a long-term plan aimed toward the industrial strategy mentioned earlier this morning—is that there are particular industries we should be encouraging and we are trying to identify them. There are those in which we hopefully

identify gaps. There will be industries we should try to locate to come in and fill those gaps.

You spoke of meeting with the industrial commissioners. We are very actively involved in IDAC, the Industrial Development Association of Canada, and in the provincial equivalent. We meet with them. We have participated in their seminars. When they come in, we are continually in touch with them on the concerns they have.

Our field operations—and there is one in Windsor as you are well aware; it comes under Ross Radford—are very actively involved in the Windsor area and in Essex county and Kent; down in that area.

When we have a particular company come here—let's say it happens to be a German firm—our approach is trying to encourage them to locate here to serve the North American market, not just the economic scale that exists in Canada. I think if we can approach them to work into the North American market, they see more sense in the economics they develop. If they happen to come to Ontario, to Toronto, we have an operation in which, depending on their need, there is no leaning, as it were, as to where they want to go. If they have a specific city in mind they have heard of back in Germany and they want to see, we will work with the industrial commissioner. At the same time, based on the direction we have, we will perhaps encourage them to go to an area where there is more unemployment at this point in time; or into one of the areas which perhaps needs to be developed. We work very actively with the industrial commissioners in the communities.

**Mr. B. Newman:** Does your ministry or you foresee the day when a community such as mine can be diversified? Once they are locked into the auto industry are they locked in forever? Only when the automobile is replaced with something else are they going to be able to sever these connections with the auto industry—I shouldn't say sever—but expand in other fields so they have not only autos and are not so dependent on the auto industry. I think about 48 per cent of the industry in my community is automobile associated; I think it might even be higher than that. You can see that economic downturns adversely affect the community seriously. I will talk on this again some other time.

**Hon. Mr. Bennett:** Mr. Newman, to the credit of Windsor, I think your mayor and more specifically your industrial commis-



sioner, along with his board—have been spending a great deal of time in the last few years doing exactly what you are discussing here today, trying to diversify the type of industry that is at present in Windsor. You'll recall we had a meeting with them as a group here in the city of Toronto back about six or eight months ago. I thought it was very interesting the way they conducted it—to try and persuade those who are not related to the automobile industry to come and look at Windsor as a possible location for their plant expansion. I think they're going about it in the right way and our ministry has always supported them.

[6:00]

**Mr. B. Newman:** I don't fault you, Mr. Minister, for what you are doing. But I've heard this talk ever since I was knee-high to a grasshopper, so to speak, and nothing seems to take place to the degree that I would like to see it taking place.

**Hon. Mr. Bennett:** I know your problem in Windsor; I know the problem that exists in places like Timmins and in Sudbury. We can go into some of the areas where they are basically relying on the wood industry. It is a very great concern to us all as to how you diversify so that when weaknesses develop, there is still something there to absorb the shock that a community experiences.

Unfortunately, your community is an example. If I wanted to get an automotive industry into eastern Ontario, they would look at you. We have one down in the Belleville-Trenton area, and they are now being very critical. They're starting to say, "Look at what it costs us. You convinced us we should come down here to make bumpers. Now look at what it's costing us in freight to get that bumper back to Windsor or Chatham."

**Mr. B. Newman:** I understand the problems with it.

**Hon. Mr. Bennett:** So, once they're established in other areas, when they start to experience these difficult situations, they look then to government to absorb some portion of their extra cost factor. While you might do it for a short period of time, I think you have to be realistic. Every industry eventually has to stand on its own two feet or you and I will be subsidizing everything and the number who will pay taxes will get smaller, because fewer and fewer people will make a living.

**Mr. B. Newman:** We will discuss this again at the next session.

**Hon. Mr. Bennett:** Very good.

**Mr. Chairman:** Item 2 carried.

We will now adjourn until tomorrow. I believe there is a special swearing-in ceremony for the Ombudsman tomorrow morning. Therefore, this committee will meet approximately 15 minutes after the question period tomorrow.

**Mr. Angus:** Mr. Chairman, what is the schedule for Friday?

**Mr. Chairman:** Friday, we sit concurrently with the House after the question period until 1 o'clock.

**Mr. Angus:** Okay, so we sit until 1 o'clock.

**Mr. Chairman:** Right.

**Hon. Mr. Bennett:** There are no sittings at nights at all this week.

**Mr. Angus:** It was down on the sheet that I have received.

**Mr. Chairman:** There are no night sittings, I am informed.

The committee adjourned at 6:05 p.m.

## CONTENTS

---

**Wednesday, October 29, 1975**

<b>Ministry central office programme, concluded .....</b>	<b>S-29</b>
<b>Industry development programme .....</b>	<b>S-42</b>
<b>Adjournment .....</b>	<b>S-58</b>

## SPEAKERS IN THIS ISSUE

---

Angus, I. (Fort William NDP)  
 Bennett, Hon. C. Industry and Tourism (Ottawa South PC)  
 Cassidy, M. (Ottawa Centre NDP)  
 Conway, S. (Renfrew North L)  
 Eakins, J. (Victoria-Haliburton L)  
 Eaton, R. G. (Middlesex PC)  
 Gaunt, M. (Huron-Bruce L)  
 McCague, G. (Dufferin-Simcoe PC)  
 McEwan, J. E. (Frontenac-Addington L)  
 Newman, B. (Windsor-Walkerville L)  
 Norton, K. (Kingston and the Islands PC)  
 Sargent, E. (Grey-Bruce L)  
 Wildman, B. (Algoma NDP)  
 Williams, J. (Oriole PC)

### Ministry officials taking part

Boyer, F. J., Executive Director, Division of Tourism  
 Cooper, R. T., Director, Strategic Planning Branch  
 Garland, M. L., Executive Director, Division of Industry  
 Pillgrem, F. J., Deputy Minister  
 Stadelman, W. R., President, Ontario Research Foundation  
 York, P. A., Assistant Deputy Minister









LIBRARY

DEC 10

UNIVERSITY OF TORONTO

Government  
Publications

# Legislature of Ontario Debates

**SUPPLY COMMITTEE**

**ESTIMATES, MINISTRY OF INDUSTRY  
AND TOURISM**

OFFICIAL REPORT — DAILY EDITION

First Session of the Thirtieth Legislature

**Thursday, October 30, 1975**

Speaker: Honourable Russell Daniel Rowe  
Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975





## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. (Phone 965-2159).

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MGS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.

## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

---

THURSDAY, OCTOBER 30, 1975

The committee met at 3:55 p.m.

#### ESTIMATES, MINISTRY OF INDUSTRY AND TOURISM (continued)

#### On vote 2002:

**Mr. Chairman:** I will call the meeting to order. Last evening when we adjourned we had completed item 2 of vote 2002 so we are open now for discussion on item 3 of vote 2002.

**Mr. B. Newman:** Mr. Chairman, I thought the minister mentioned that the topic I was going to bring up again was going to be under the third vote. Am I right or is it under industrial development now?

**Hon. Mr. Bennett:** Which one are we at now?

**Mr. B. Newman:** Second vote, third item.

**Mr. Chairman:** Item 3, that's correct.

**Hon. Mr. Bennett:** That is correct.

**Mr. B. Newman:** It is under this? We were discussing how to enable areas to develop other types of industries; how do you entice them into the area. I know you mentioned yesterday, Mr. Minister, the industrial promotions commission. I think it's Jim Moore there —

**Hon. Mr. Bennett:** Right.

**Mr. B. Newman:** — and others. The chamber of commerce and others have attempted to change the status from a one-industry town to a multi-industry one so that when reverses take place in one industry, the town doesn't find itself in real difficult financial straits.

In what way does your ministry get involved in enticing industry or in encouraging industry to move into the community—industry other than the industry for which the community is noted? For example, in the Windsor area? Anything associated with the automobile trades, especially if it's coming from the US naturally would gravitate to the

city of Windsor on an incubator basis first to find whether it could catch hold in Windsor and then spread to other parts of Ontario and possibly even Canada. Does the ministry send out personnel or maybe attempt after some fashion to entice new and different industry into given communities? I talk about my own community. It could be any other one-industry community in the Province of Ontario.

**Mr. Garland:** I think what is happening in the whole area of industrial development now is a general change from the time when perhaps companies were lining up to come to Canada and primarily to this province. The emphasis is changing and I think our whole organization has changed accordingly. It is the reason we have basically this strong field operation which will be dealt with in another vote.

In effect, the emphasis now is more on the development of existing companies; taking small companies which exist—Canadian-owned—and putting emphasis on expanding them. To do that we actually have field officers who are making direct contact, identifying the problems of that particular small company, the needs and desires, trying to get close to its problems so that we can act on them. It's sort of behind the scenes.

Having identified those problems, we will develop programmes which will help them to solve those problems. It may be a result of our manufacturing opportunities bulletin—and I dwell on it yesterday—which covers the possibilities of joint ventures and licence arrangements, anything that will allow a company to expand. Recognizing the talents, let's say, of a particular small company in Windsor, if they have the facility to move from an automotive-oriented product line into a different consumer item—or even an industrial consumable—knowing the capability of that small firm, we can work with them to try to develop that diversification.

There are not as many larger firms coming here as in the 1950s and the 1960s. I think what happens there is that when they do appear on the scene, as it were, sometimes

they have a fixed idea as to where they wish to locate. They do feasibility studies related to their economics, where their market is and where they are trying to sell their product. I think the pool of skilled labour which is in existence has a bearing. There are many factors a company looks at before it decides where it wishes to locate.

We maintain on file sort of a complete record of the capabilities of the major communities in Ontario. These are available to any major company that wishes to locate in Ontario. He can go through and cross-reference his needs against the capabilities of the community. If he so wishes to elect to go to two or three communities to actually explore it with the industrial commissioner, we have a small group who will facilitate that move and take the man or make the arrangement to go to the industrial commissioner.

It is a two-pronged thrust, I suppose. Development of the smaller Canadian-owned company is the thrust that really is taking place more and more. And there are the larger companies coming in from offshore or from the United States to locate in Canada for their own particular reasons. We will work with them and we will help take them to whatever area they may select.

**Mr. B. Newman:** That is all well and good, but what about a small company that, say, comes into my own community? When it reaches the point that it must expand, then its distance to major markets becomes a very substantial concern to it. As a result, its expansion, rather than being in the local area, would tend to be toward the large centres of population in the province. Even though you are still able to entice some small industries, after they reach a certain growth point, then they have a tendency to move away from the community.

I am interested in what other input the ministry can provide to entice companies to come into a given area. Maybe it might mean some type of incentive on the part of the ministry. I don't know. If I knew, I would simply tell the industrial commissioners and that would be the end of the problem. I don't have the answer. I thought maybe members of your staff, Mr. Minister, could give us some answers. You really don't have answers. You help companies to grow, and you inform the industrial commissioners—but I think that is the limit of your involvement.

**Mr. Garland:** There is the whole role of our development corporation, and basically you'll be dwelling on that in another vote.

You can examine that from that point of view and it may be worthwhile to explore that at that time. I think in your particular area that many of the companies that locate there are interested in markets in the United States. They recognize the promotion that your particular city puts out. Its encouragement to industrial firms really relates to the mass markets that exist in Ohio, Michigan and Indiana, the centre core of the United States.

**Mr. B. Newman:** But you see, all of that is generally associated with the auto trade, as a result of the auto trade pact. I'm thinking of trying to diversify industry in my own community so that there is a more stable type of employment in the event of a recession in the automotive field. We're fairly fortunate in that one Chrysler product model is an extremely big seller in the United States. The Windsor plant seems to be the central source of supply to the US market. But suppose the head office in Detroit decides it wants to pull manufacturing out of the local area and carry it out either in Detroit or in Cleveland, or down in some other US state; then what happens to the local industry and to local employment?

**Mr. Garland:** There have been some situations like that, and that is when we call upon our internal technical people and professional people to perhaps go in and see if they can identify the problems that that branch might be experiencing. I think you'd find that if a corporate office is going to close a branch down, it's because of some inefficiencies or cost factors. That's usually the rule when we look at it—that if it's either not economic or it's not as competitive, we have a group in place who can go in and work with a company to improve its productivity and improve its efficiency with the idea of keeping it in place and making sure that it stays competitive. I think there's a real need for that and that's the role that we play. We have a number of personnel involved in that.

[4:00]

**Mr. B. Newman:** I think because of the fact that the Chrysler Cordoba product is such a popular product, the automotive picture as far as Chrysler is concerned in the Windsor area isn't bad. But when you look at Chrysler's financial picture over the last six months, then you wonder whether there may not be a lot of pressures being put on at the US level to withdraw that model from the Canadian manufacturer.

I'm just wondering now, since that leads right into the auto trade pact, what position the Province of Ontario is going to take vis-



à-vis the recommendations and the hearings that are being held by the US Senate committee as a result of Senator Vance Hartke's very critical comments concerning the auto trade pact and its adverse affect on employment in the US. If the Senate committee decides that the auto trade pact needs substantial changes, then the Cordoba will be pulled out of the Windsor area, and that can have very disastrous effects. What is the province's position concerning the auto trade pact?

**Hon. Mr. Bennett:** Mr. Chairman, that's a question that I guess would best be answered from a political point of view rather than strictly an internal administrative point. As you know, it's a federal organization but the federal government has given Ontario the opportunity of having input in the discussions. I can't give the guarantee to you nor to any group of people that eventually what we want is going to become part of the auto pact agreement. We have people who have been reviewing it with the federal agency, as we have been on the GATT negotiations and the Foreign Investment Review Act, all of which can have a part to play in the very question that we're discussing.

We have had some discussions with the industry and in addition to that with Mr. Lavelle and a few others from the Automotive Parts Manufacturers' Association on areas where we could strengthen the automotive pact between Canada and the United States.

**Mr. B. Newman:** Are you going to enforce the stand of the parts manufacturers in any of the hearings that are being held in cities bordering the United States? For example, on Nov. 18 I think there are hearings going to be held in Detroit. I think it would be fitting that if you don't make a presentation that at least you have your officials sit in and get the feeling and the ideas of US industrialists and likewise the auto parts people who have been striving and working extremely hard in an attempt to get a larger share of the market. From what I understand, where we actually do fall down in the auto trade agreement is where it comes to the parts manufacturers. There's going to be some strengthening needed in that pact to enable us to get at least our share of the parts manufacturing.

**Mr. Garland:** When the automotive industry turned down a little over a year ago, we formed actually through Mr. Bennett as part of a need, a tripartite group involving one federal man, the head of the auto parts asso-

ciation and one man from our technology group to examine the problems and what we could do to assist. We have worked very closely with Mr. Lavelle, who's the head of the auto parts association in Canada. In fact, as of today there was at their urgings a product prospecting mission as such taking auto parts manufacturers from here to Japan to try to develop a relationship with Japanese firms and be able to manufacture parts for Japanese cars in this country.

As for the input you're talking about on Nov. 18, I know Mr. Lavelle has been working very closely with the economists in TEIGA, obtaining information that he can use in making his presentation. At the same time we've been working with our technical staff in developing a general support programme.

One of the sector appraisals that has gone to press, as it were, is on the auto parts industry. This is the result of many discussions not only with the association membership but senior people in the auto parts industry. They endorse pretty well completely the position that we outlined. In fact, it represents basically the industry's position and it will be used as a dialogue. Hopefully, if at some time the auto pact is opened up and reviewed, this document will be used as the basis perhaps for some discussion and the position that ultimately may evolve through Mr. Bennett.

**Mr. B. Newman:** Is the province going to make presentation at those hearings?

**Mr. Garland:** There is no plan at this moment to do that.

**Mr. B. Newman:** Does the province intend to monitor the hearings—not only in Detroit but in other places where this Senate committee may conduct hearings—in an attempt to find what US feeling is, whether they are very militant about taking away more of the auto industry business from the Province of Ontario? For example I understand the parts manufacturers' index of unemployment is now 11 per cent.

**Mr. Garland:** It is down; it was 18 per cent, in July, and in effect it —

**Mr. B. Newman:** The figures I have for October are 5,425 unemployed, making 11 per cent of the automotive parts industry work force. And there is also an eight-month deficit, as far as the auto parts are concerned, of \$1.5 billion. That's an extremely large figure, and if we can reduce that substantially—even balance it off—it would be all to the better for Ontario employees.

**Mr. Garland:** The figures that I have on that show, starting in November, 1974, three per cent of the total were unemployed, and it moved quickly to seven—15—it hit 20 and 24 in February and March and 19 and 20 in April and May, 18 in June and July down to the point where it is at 11 now.

**Mr. B. Newman:** You were giving me percentages before?

**Mr. Garland:** Yes.

**Mr. B. Newman:** So it is progressively being reduced?

**Mr. Garland:** Yes it is.

**Mr. B. Newman:** Right, that's good.

**Mr. Garland:** It has turned around, hopefully permanently.

**Mr. B. Newman:** But it certainly must have been extremely substantial to lead to a deficit of \$1.5 billion in an eight-month period. I hope Ontario monitors the meetings very well, and at the proper time either makes a presentation to the Senator Hartke committee, or to the government of Canada, so that we can strengthen our share of the automotive export market.

**Hon. Mr. Bennett:** Right, there is no doubt about it. We have been monitoring the meetings and our input would be back to the federal government of Canada, since they are the agency that carries the responsibility for the pact.

**Mr. B. Newman:** But I think Ontario has to take some part.

**Hon. Mr. Bennett:** When you represent 95 per cent of the automotive industry in Canada, it is incumbent upon the government.

**Mr. B. Newman:** Right.

**Mr. Williams:** Mr. Chairman, on this particular item, industrial development, there seems to have been a substantial increase in the amount expended 1973-1974, and the estimates for this current fiscal year appear to be almost three times what they were in 1973-1974. Yesterday the criticism was raised that the detail sheets for the breakdown of the various sections don't have the comparative estimates from the preceding year. So I can't tell to what area to attribute the greatest amount of increase—I assume it's services, which are estimated at \$1,309,000 for this year—in any event that's certainly the largest portion of the budget. Mr. Chairman, could we be informed in what area of the

industrial development branch most of these moneys are expended?

I notice that you have broken it down into three sections—the industrial policy section, the intergovernmental relations section and the industrial diversification section. Which of these sections has the greatest demand on these funds? What area of the department's operation yields the most in tangible results?

**Mr. Garland:** The general expenditure, prior to the change this year, is the increases here. It's pretty well distributed among the three. The major increase this year is in the new industrial parks programme that is on its way through at the present time—it was tabled yesterday. So this involves not only getting that programme under way, but it is basically the operating costs tying in with my division and the costs related to ODC, who are actually going to administer the programme. We are involved in the criteria aspect, the actual measuring of the capability or deciding what communities should be involved first in this particular programme. That is the major expenditure there.

**Mr. Williams:** I understand from the minister's remarks yesterday that there was some concern expressed by some of the members of the committee as to whether there is a conflict in what the municipalities were doing with regard to development of industrial parks and what this government is doing. As I understand the minister's comments—I am open to correction on this—this new thrust or direction by this ministry was not in conflict with what the municipalities were doing but was complementing what the municipalities were doing.

If that is a correct interpretation of those comments, I was wondering how they are complementing each other in what they are doing in this area, and what was the programme, prior to this new direction that was taken, with regard to the industrial parks that is taking up so much money in this budgetary year? I am not clear on how the government has expanded into the industrial park programme beyond what it was doing in the previous fiscal year.

**Mr. Garland:** Prior to the introduction of this particular municipal industrial park programme, there was no programme as such in place.

**Mr. Williams:** None whatsoever?

**Mr. Garland:** One of the problems that existed was that when we had the companies that Mr. Newman was referring to coming



here, and based on their own economic analysis perhaps they should be locating in a community in eastern or northern Ontario, when that particular company was taken to that community and wanted 50 acres of serviced land, the serviced land was not available there and the company was not content and not willing to sit and wait for a period of a year or 1½ years until that land was serviced. There are some companies which, economically, should be locating in what at the moment are not the most rapidly growing areas of the province. Hopefully, what we expect to do is have the municipalities have serviced land in place. This is the programme to work with the municipalities.

**Mr. Williams:** I understand from the comment made yesterday that we would be somewhat restricted in that we would not be responsible, for example, as someone said, for bringing the services two miles away from where they exist to a new unserviced site, but that we would be doing only on-site funding in an established industrial park setting.

I gather it would be the responsibility of the municipalities, perhaps in discussion with your ministry, to locate the actual site in close proximity to the municipality in question and then approach the ministry for financing of the development of services within the site. Is that the idea?

**Mr. Garland:** The whole thrust of the programme is that the initiative belongs to the municipality. We are willing whenever a municipality is ready to move and willing to move and wants to move. It is up to them. It is a matter of a rigid list of criteria. One which the minister, Mr. Bennett, referred to was the fact that to service an industrial park, that is put the services inside the park, they have the responsibility to ensure that the necessary services come up to the border of the park.

**Mr. Williams:** You mean the municipalities?

**Mr. Garland:** The municipalities, yes.

**Mr. Williams:** What degree of financial participation is there then by the industrial policy section in the actual development of the servicing of the park? Is it a cost-sharing venture with the municipality?

**Mr. Garland:** It will involve the OLC through the ODC and it's basically a loan programme with a scheduled forgiveness of interest. It's not the funds that are mentioned here; these are, in effect, the operational

funds internally on the programme; it's not the capital fund that already exists in the OLC.

**Mr. Williams:** I see. So this relates to resource personnel who work on this programme and develop it to the sophisticated stage that you have arrived at since originally leaving it totally with the municipalities? [4:15]

**Mr. Garland:** That's right. These were the original funds required, assuming a full year's operation.

**Mr. Williams:** In the industrial park settings, then, is the ministry endeavouring to work with, say, industrial commissioners of a certain town or community to co-ordinate their efforts in bringing industry into that particular area? Will you expend a lot of that money on efforts to bring the industry to that location, having made that decision with the municipality?

**Mr. Garland:** The problem that exists in the areas that we are addressing ourselves to is that, in many cases, they haven't really organized themselves for industrial development. One of the criteria that we hope to put in place is that a community—either through an industrial commissioner or an industrial committee, or a group of concerned citizens—will be convinced that they wish to have industrial development and they organize themselves accordingly. To actually put a particular industry in place, the local municipality should know its needs, know its desires, know what type of industry it wishes, and then we will try to assist in fulfilling its wishes. It's got to be local initiative.

**Mr. Williams:** I gather that a large portion of your personnel are involved in the industrial policy section of the operation.

**Mr. Garland:** That is right.

**Mr. Williams:** What about the industrial diversification section? I see your industrial missions abroad are incorporated in there. At least, I gather it comes under that section. To what extent are the costs of those missions borne by the government and to what extent by the representatives from the private sector participating in the missions? How is that programme operated?

**Mr. Garland:** The mission I referred to a few minutes ago is one of the missions that is handled by the diversification section, taking a group of auto parts manufacturers to Japan to explore the possibilities of manu-



facturing automotive components in Canada for Japanese vehicles. The programme is that we will pay the coach fare return, and that is all.

**Mr. Williams:** Just on that point; for instance, reference is made in the review to 45 industries participating in the six missions abroad visiting 10 countries last year. The Hanover Fair was singled out. How many participants would be involved in that? Are you saying that the government pays their economy fare to the fair and, beyond that, they meet their own expenses?

**Mr. Garland:** Yes, sir, that's all.

**Mr. Sargent:** How about Geisha girls? You've got to look after them.

**Mr. Drea:** You look after that.

**Mr. Williams:** To what extent was public funding provided for those industrial missions last year?

**Mr. Garland:** The amount this year for licensing missions abroad is \$38,000. Last year it was \$31,000.

**Mr. Williams:** I'm sorry; where is the item? That's not in our estimates here, is it?

**Hon. Mr. Bennett:** Just so we don't get confused—because the chairman thought maybe we were under trade—we are now talking about manufacturing and not the trade missions.

**Mr. Angus:** Okay, thank you.

**Mr. Williams:** I'm sorry; how much was it?

**Mr. Garland:** It was \$38,000. As a matter of interest, this was to cover six missions in this fiscal year. At the moment we'll probably only fulfil four of them. There has been a modification in that.

**Mr. Williams:** That \$38,000 would have been reflected in the estimates for the preceding fiscal year?

**Mr. Garland:** It comes in under the transportation and communication phase of it, not the services phase.

**Mr. Wildman:** If I understood you correctly, you made a statement earlier in which you said that the development is left to local initiative in the beginning, in the initial stages. Surely that is one of the problems in small communities in northern and eastern Ontario especially. First, they lack the financial tax base to provide the services necessary to attract industry, and second, they lack the

expertise to determine some of the things that you say they should determine—such as the types of industry needed and good for their area. How can a small local community carry on the marketing studies necessary to determine the feasibility of a certain industry for its area? I'd like to know what role you play in aiding local industrial commissioners to bring about programmes which will help to bring in industry.

**Mr. Garland:** One of the programmes we operated last year in this particular branch is entitled "industrial development training courses." In 1974 our staff put on seven courses—they were held in Black River, Matheson, Sault Ste. Marie, Orillia, Peterborough, Meaford, Nipigon, and Geraldton—103 municipal officials and citizens attended those meetings. We have the means to put on an industrial training programme for interested individuals if a community wishes it.

**Mr. Wildman:** Have you found a great deal of interest in these kinds of programmes, or have you had difficulty getting people involved?

**Mr. Garland:** If it's any indication, in the industrial parks programme that's under way 59 communities have expressed an interest—some local councils have passed motions, some have submitted detailed drawings of their particular industrial park. Looking at the cross-section of applications, some are ready to go tomorrow, and it will be three or four years before others are ready.

**Mr. Wildman:** Do you have any breakdown as to what areas of the province those 59 —

**Mr. Garland:** I could obtain the breakdown. We have that; it's pretty well spread across the province.

**Mr. Angus:** Mr. Chairman, a couple of questions. I think the first one has been answered in part, but I noticed in the services section of industrial development that the amount allocated in 1974 to 1975 was \$41,000, and that has increased to \$1,126,800. Did your comments of the last couple of minutes refer specifically into the service area of that programme?

**Mr. Garland:** Having to do with industrial parks, yes.

**Mr. Angus:** Now following that—given that the industrial parks bill has just been introduced, that we're half-way through, if not more, the fiscal year, and assuming that it will take a number of weeks yet to go through, is

there any indication as to how much that will be reduced? Or can it all be spent within the remaining period?

**Hon. Mr. Bennett:** No, I don't think that realistically it can all be spent. What we'll do is try to pick up the backlog. I asked the municipalities to make their position known to us while the legislation was pending—re introduction and approval—so we could go ahead with assessment of it and some of the preparation work could be completed. We should be able to move much more quickly at the implementation part of the programme than after three or four months—because then we will be starting to review new applications from scratch.

I can't say, Mr. Chairman, how much of the \$900,000, the new figure in this particular vote related to industrial parks, will be used but we will try to advance it as quickly as possible—as Mr. Garland has said, the number of applications that we have in already—I might say there are more than 59 applications, but 59 appear at the moment to meet the basic criteria.

**Mr. Angus:** Okay, just one other item. In a speech given by the Treasurer on Saturday, one paragraph referred to the possible willingness of the government of Ontario to provide municipalities with the power to expropriate land for private development. I think he was speaking in terms of urban renewal programmes and he said that too many times in the past viable projects were defeated. I guess that's about the only word you can use. One or two individuals who own property—whether homes, apartments or businesses—refused to co-operate and, in effect, curtailed the project.

I would like to know whether your ministry has any input into that. I would like to express my initial disagreement with it, because it takes away a number of freedoms that the people of Ontario do have.

**Hon. Mr. Bennett:** Mr. Angus, let me first of all say that we have not experienced, as a ministry in assisting municipalities, any great difficulty in acquiring the industrial land they wish. Sometimes the price they have to pay is more than they wish to accept, but to my recollection we have never been frustrated by the type of operation that you might find in a downtown redevelopment programme where one individual or one person happens to stand in the way of it.

We'll be requested to make an input on the industrial aspect, if it is the desire of the Treasurer (Mr. McKeough) to include it—and

I think maybe the Treasurer is at the moment trying to get a public consensus as to what would happen with that type of an Act.

I know the city of Ottawa, back 10 years ago, had the whole downtown redevelopment on Sparks St. frustrated because of one owner. At that time we saw it as a private bill, the right to have the expropriation powers applied to the land. It didn't come through under the wisdom of the government of the day, since it was viewed as depriving an individual of his right to land he owned for other than what would be a public service requirement.

**Mr. Sargent:** Mr. Chairman, on a point of order. I would like to ask the minister: Would it be fair to suggest that you are keeping the lists of Ontario loans made by the ODC under wraps? Why doesn't every member of this committee have a complete list of loans made by this department in the current year, 1974-1975?

**Mr. Chairman:** That's a point of order?

**Mr. Sargent:** It's a point of order; and it's a very important piece of information if we're going to assess these estimates.

**Mr. Chairman:** I believe some of that information was requested yesterday, and it was said it would be supplied, I believe, at the time of the vote.

**Mr. Sargent:** That was to me personally. I'm suggesting that all I have here is two pages, and there must be 30 pages in the damn thing. Every member should have a list of those loans. That's the main thrust of this whole ministry—the money that's used for politics.

**Hon. Mr. Bennett:** That was a misunderstanding on my part. I understood that Mr. Sargent was asking about the—

**Mr. Chairman:** Order, please. I would just like to ask on that point of order whether the minister would like to reply.

**Hon. Mr. Bennett:** Mr. Chairman, it was our interpretation of Mr. Sargent's request that he wanted to know what had been expended through ODC or lent through ODC in his constituency.

**Mr. Sargent:** I don't think so—I think you knew what I was talking about.

**Hon. Mr. Bennett:** We supplied exactly what we interpreted Mr. Sargent to be requesting.



**Mr. Sargent:** Why can't each member of the committee have a list of all the loans made during the past two years?

**Hon. Mr. Bennett:** Mr. Chairman, let me only indicate to Mr. Sargent that every loan that's made by this corporation, every loan, is by public statement.

**Mr. Sargent:** Then give us a list of them.

**Hon. Mr. Bennett:** Lists go out monthly to every member and I think every caucus gets a complete listing of the loans.

**Mr. Sargent:** That is not a fact. I never see them at all; that's why I asked you.

**Mr. Eaton:** You also told us you didn't get any loans in your riding either, and that isn't so.

**Mr. Sargent:** Listen, there's a list of two pages. I didn't know about one of those loans. They all went through Winkler. I didn't know about one of those loans. I've been here 15 years and you're still trying to hide that list of loans.

**Mr. Chairman:** Order, please.

**Mr. Eaton:** You don't know what's going on in your riding, that's the trouble.

**Mr. Sargent:** I sure as hell don't.

**Mr. Chairman:** Order, please.

**Mr. Sargent:** Mr. Minister, are you going to give us a list of loans?

**Hon. Mr. Bennett:** Mr. Chairman, I think that if Mr. Sargent would just give me the courtesy of listening for a moment and would go back through his files he'll find letters I addressed to "Eddie," indicating clearly that we had made a loan to a particular organization or establishment in his riding through the ODC.

**Mr. Sargent:** That is not a fact. Further, I think we should have a list of all the loans prepared and made available for each member of this committee and each member of the House.

**Hon. Mr. Bennett:** I think, Mr. Chairman, we can check this with the caucus, with my people and ODC. I think if you check with the caucus offices of the various parties you'll find that on a monthly basis we give a complete breakdown of the loan programmes and the loans made.

**Mr. Sargent:** Can we have the list?

**Hon. Mr. Bennett:** I can see no reason why we can't have them all reproduced.

**Mr. Sargent:** All right. That's good. When?

**Mr. Chairman:** Order, please.

**Hon. Mr. Bennett:** I will have them before we get to vote 2009.

**Mr. Sargent:** Good. But not until then? We can't get them before that?

**Mr. Chairman:** Order, please.

[4:30]

**Hon. Mr. Bennett:** Mr. Chairman, I said we would have them before we get to vote 2009.

**Mr. Sargent:** I want one tomorrow.

**Mr. Chairman:** Order, please. Mr. Angus, you may continue.

**Mr. Angus:** You mentioned, under this particular vote we are talking about now, that the trade missions are not included. Do they come up elsewhere?

**Hon. Mr. Bennett:** Yes, that's correct. Trade missions come up under the trade division.

**Mr. Angus:** Okay, that's fine.

**Mr. Chairman:** The next is Mr. Eakins.

**Mr. Eakins:** I just want to make a comment and ask a question. I thought that Mr. Newman made some good points. The question that several have been asking is how to breathe some industrial life into the smaller communities. I for one feel that so long as industry and workers are coming into the Metro area, these smaller communities are not going to have the opportunities they should have. I feel that it's going to require more than this ministry to do it. I think it has to be a seminar or a meeting of minds of the various departments in order to bring this about.

However, my question is this. We have been discussing how we can help the communities outside of the large Metro area and what encouragement we can give them. I wonder if the ministry could comment on the problem—which received wide coverage in the Peterborough Examiner—of Canadian Worcester who wanted to locate in Peterborough from Scarborough. Apparently, there was quite a strong feeling by the company that they could qualify to locate there. Certainly Peterborough is one of the areas



that has had not too much industry recently and needs a shot in the arm. I wonder was there not some way in which this company could be assisted to locate in the new industrial park in Peterborough?

**Mr. Chairman:** On hearing the completion of your question, I am just wondering again if that shouldn't come under 2009—the Ontario Development Corp.

**Mr. Eakins:** I am talking about industrial development. If you feel it should come under there, that's fine.

**Hon. Mr. Bennett:** The specific question that is being asked is an ODC problem.

**Mr. Eakins:** I see. We can leave it until there.

**Mr. Chairman:** I would like to inform the committee that I have two other speakers on the list on this vote. I would like to suggest to the committee that after these two speakers have done their questioning, I would like to revert to what we as a committee agreed to yesterday—to discuss the procedure of the committee. I just wonder if we could go back to that during our discussions.

**Mr. Eaton:** As long as you don't conclude the vote.

**Mr. Chairman:** No, I won't conclude the vote.

**Mr. Drea:** Do you want to do your procedure now? I am one of the two speakers, so if you want to do your procedure now, go ahead.

**Mr. Chairman:** The two speakers are Johnson and Drea. Would they mind? The reason I didn't bring it up at the first of the meeting this afternoon was because we just didn't have enough members to discuss it. I asked all of you to consider that we as a committee must consider four ministry estimates in 14 days. I hope you have given that some consideration and would offer some guidance to the Chair so that these four estimates can be handled within that 14-day period. Are there any suggestions?

**Mr. Eaton:** What are the other estimates?

**Mr. Chairman:** Energy, Labour and Housing.

**Mr. Angus:** Mr. Chairman, two hours of discussions in this committee today will count as a day. If we did not meet on a short day like tomorrow and held over our discussions

until next week when we can sit for a longer period of time, do we lose a day because we don't sit tomorrow?

**Mr. Drea:** No.

**Mr. Angus:** Okay, then I would propose that as a method of making much better use of our time and getting through the estimates.

**Mr. Drea:** It is not a day.

**Mr. Chairman:** It is only when you meet.

**Mr. Angus:** I don't see why they have to be consecutive days.

**Mr. Drea:** A session day is two meetings, as I understand, in a day, with at least one of them concurrent with the House sitting.

**Mr. Chairman:** I think in the standing orders a sitting day includes 2½ hours or more.

**Mr. Angus:** So if we don't meet for two hours, we haven't lost a day?

**Mr. Chairman:** Tomorrow would be considered a sitting day.

**Mr. Angus:** There is no way we can get out of that?

**Mr. Drea:** You don't have to meet on any day you don't want to.

**Mr. Wildman:** Mr. Chairman, I would think, after dealing with this ministry's estimates, that some of the estimates we have to look at are going to take some time. I'm looking at Housing, for instance, and Energy and so on. It seems to me that we should budget the time in some way to make certain we have time left.

**Mr. Drea:** Mr. Chairman, I sympathize with your plight but then you and I have been in many of these before.

First of all, it would be completely untenable under the rules of the House to start setting time limits here when there are no time limits in the House. It's never been done in a standing committee; we've always taken the same rules of procedure as there are in the House.

I think it's one of the things which is going to have to happen. It's certainly unknown in consideration of estimates but some take longer than others. Some ministerial estimates might be of much more vital interest to some members and others of very little interest. There may be one member who considers the estimates of a ministry of paramount im-

portance to his riding and to the people he represents.

We have very flexible rules in the House. I realize that from time to time there have been submissions. In fact, from time to time there have been demands in the House that there be a curb put on the amount of time for a speaker.

The only procedure we have ever made in a standing committee which has differed from the House is that from time to time, because of general interest in the subject, we have entertained a dialogue. Speakers could join in, with the consent of the person who started out; in other words it was a type of supplementary dialogue provided that when it was over the original speaker had his place.

I think it's up to the Chair. The Chair does have the option, as does the Speaker in the House, at any time under the standing orders to consider the matter redundant; it has already been spoken upon or is straying from the point. You have a great number of powers. I realize it puts you a difficult position but you always have to operate under the rules you have and those are the only rules that we do have. Were we to take a formal vote on procedure and report it to the House I doubt very much if we would be allowed to carry on.

In terms of when members feel a certain day might not be worthwhile sitting, it's the option of the committee to decide which days it's going to meet. It's always been the option of the committee.

**Mr. Williams:** Mr. Chairman, it is interesting, the concerns which are being expressed now; fortunately they are this early in the proceedings.

The concerns being expressed seem to come from a sector where most of the talking originated yesterday on issues that were far-ranging and far beyond monetary considerations. I think perhaps it's the responsibility of the chosen critic of each party to keep his own colleagues in line as to the amount of time they are going to spend talking on diverse issues which far exceed the real authority of the committee.

I understand we have wide open latitude in the committee and as such we are free to talk, as Mr. Drea has stated, for as long and on as many topics as we wish. But if members from all the parties seriously want to get through the estimates I think we have to exercise our own restraints upon our own members and let reason prevail and not be talking on issues which are really so far afield that it becomes a ludicrous dialogue.

**Mr. Drea:** Mr. Chairman, just one point. You might advise some of the newer members that while there is unlimited substitution on this committee it has always been a practice of the standing committees that any member of the House, substituted or not, is perfectly free at any time to come in here and discuss issues with the minister. The only restraint on the substitution is for voting purposes. There is some concern among some of the newer members of the House who are not formally on this committee that they are not in a position to substitute for someone but they want to raise an issue. I don't suppose it's written but certainly it has always been a matter of courtesy and a matter of understanding.

**Mr. Chairman:** I think they have been advised of that and are aware of that.

**Mr. Wildman:** Mr. Chairman, on a point of privilege, surely the role of the members of this committee is to discuss the overall policy as well as specific policies as they relate to the estimates of this ministry. I think we have attempted on all sides here to deal seriously with the estimates of this ministry.

That does not get away from the fact that we have a great deal to do in a very short time. The suggestions made here were made with a sincere desire to be able to deal with as many estimates as possible and we fully understand that members traditionally have the right to expand on their points of view for a great deal of time. But we are still faced with the problem of having to cover a great deal in a rather short time.

**Mr. Angus:** Mr. Chairman, could you indicate to the members of the committee what the present plans are for our sittings for tomorrow and next week?

**Mr. Chairman:** That is entirely up to the committee. They make the decisions. I understand that next Monday and Tuesday could be very short sittings because the leaders of the opposition parties will be speaking in the Throne debate and the committee may not want to sit the first two days next week. Other than that, the committee, I believe, would be free to sit —

**Mr. Eaton:** Mr. Chairman, perhaps we can refer to the hours we will be sitting because next week we'll be sitting Tuesday and Thursday evenings as well.

**Mr. Chairman:** In other words, next Tuesday, for instance, we could sit Tuesday morning, what's left of Tuesday afternoon and



Tuesday evening. Wednesday, we could sit morning and afternoon. Thursday, morning, afternoon and evening if you so desire. It's up to the committee.

**Mr. Angus:** I think, because of the number of items we have to talk about and the in-depth discussions we seem to be getting into just within Industry and Tourism, I would prefer to use as long a day as possible.

**Mr. Samis:** I think, Mr. Chairman, there is one thing we have to consider and that is the importance of the other estimates coming before us. The last thing I would want to do is let the minister off the hook but I think we have to put the estimates in perspective.

There are two critical ministries coming up. If we spend upwards of four or maybe five days on these estimates and then consider the amount of public discussion involved in Energy and Housing—plus Labour, which has a fair number of contentious issues to be brought up—that leaves us with about two or three days at the most. I am sure, since the opposition is now the majority, that would be quite unsatisfactory to the majority of members of this House. I'm not sure how to get around that. The federal government obviously has opted for some form of mandatory controls. How else do we get around it beyond self-discipline?

**Mr. Drea:** I don't know because whatever you do in here is subject to the rules of the House and the rules of the House don't provide for a limitation or time limits or what have you.

**Mr. Angus:** The other option is to extend the time we meet within the guidelines.

**Mr. Eaton:** I think there are a lot of things people want to ask and if we can work them in as quickly as we can, we can see as we proceed whether or not we are using up too much time. There may be things which, as you say, you feel are important in another ministry; somebody else might feel some things are important in this ministry. You will pass up your questions on this ministry and save your time for the next one.

**Mr. Sargent:** The guideline is 28 hours, Mr. Chairman; that is laid down, is it, 28 hours?

**Mr. Chairman:** No, we now have 12 days after today.

**Mr. Sargent:** At two hours a day?

**Mr. Chairman:** No, any number of hours.

**Mr. Eaton:** It depends on the hours the House sits.

**Mr. Chairman:** It appears to me from the discussion we are having at the present time that possibly we should continue with this ministry as we are going through it now. I said I would draw it to your attention; I have drawn it to your attention. I think we could probably go on for another hour and still wouldn't come to any decision. I would say that beginning next week we can discuss it further if we wish to. So I feel we should just continue the estimates now, if that's all right with you.

[4:45]

**Mr. Sargent:** Can I ask, Mr. Chairman, if the committee have the power to change their hours of sitting?

**Mr. Chairman:** Yes.

**Mr. Sargent:** They can lengthen them or—

**Mr. Chairman:** Oh yes.

**Mr. Drea:** You can't go beyond 10:30 p.m.

**Mr. Sargent:** Why don't you play it by ear and set a tentative deadline on each vote? I notice he is trying to whip them through as fast as he can, and it's guys like me who are slowing him down.

**Mr. Chairman:** I didn't think I was.

**Mr. Leluk:** That is the first true thing the member for Grey-Bruce has said.

**Mr. Drea:** You have got to be nice to him.

**Mr. Sargent:** I never did like you.

**Mr. Angus:** Have you already eliminated tomorrow as a sitting day for us, Mr. Chairman?

**Mr. Chairman:** No, That is up to the committee.

**Mr. Angus:** I would suggest that we do not meet tomorrow.

**Mr. Drea:** Mr. Chairman, in all fairness I can understand the member's concern about this. Traditionally, Friday is get-away day. People on this committee knew they were going to have to meet on Friday. They've made alternate arrangements. If they want to exclude Fridays in the future, okay, I think everybody would be game for that, but there has to be a little bit of consideration. The staff of the civil service has to be available. They've made arrangements. There are things that have been postponed. It's now 12



minutes to 5 o'clock at night. Those things can't be put back. I think the answer to it is what my colleague the member for Oriole (Mr. Williams) has said. We want to get through the estimates relatively efficiently in the speediest possible time with consideration for the demands of self-discipline and self-restraint.

**Mr. Angus:** Mr. Chairman, I'm sorry I don't agree with the hon. member. Tomorrow, if I understand it, we commence with the question period—and 15 minutes past the question period we come into this committee. Do we not complete by 1 o'clock?

**Mr. Leluk:** That's right.

**Mr. Chairman:** Yes, and that's considered a sitting day.

**Mr. Angus:** So we don't have any time. We've got less than two hours.

**Mr. Drea:** Friday is a sitting day.

**Mr. Chairman:** It is considered a sitting day. If we sit, it is a sitting day.

**Mr. Angus:** If we sit—that's the whole question. Everybody would still be out of here at 1 o'clock, whether we sat or not.

**Mr. Drea:** That isn't exactly a get-away time.

**Mr. Samis:** I'm sure all four of us in the NDP are opposed to the idea of making tomorrow a sitting day. The civil servants are the servants of the people, as represented through the Legislature. If it inconveniences them, tough. That's the way the game is played. It's inconvenient for us sometimes to stay around here on Friday when you are from the north or the east, as compared to Toronto, and you have constituency obligations. Therefore, I think it should be emphasized the Legislature comes first and the will of the Legislature predominates over any inconveniences to civil servants. I suspect our Liberal colleague would agree that we would not want tomorrow registered as a sitting day.

**Mr. Eaton:** The fact is that you said that the Legislature does sit tomorrow. We are supposed to be sitting concurrently with it. We are here for that purpose. So why wouldn't we continue on with what we are supposed to be doing?

**Mr. Samis:** It's in view of the tightness of the time factor. We've got 14 days to do four ministries.

**Mr. Eaton:** You have been in the estimates before. Some of these other fellows haven't been here. You know at the start of an estimate it always drags because we have a lot of general questions. Once you get on in them they go through rather quickly.

**Mr. Samis:** Yes, but this is a special situation. We have four ministries and 14 days. It is rather different from the previous experiences.

**Mr. Eaton:** And you are worrying about these getting through—we may be through tomorrow. We may wind them up tomorrow.

**Mr. Chairman:** I think the discussion is probably getting a little out of hand. I would like to suggest that we continue now and we sit tomorrow.

**Mr. Samis:** Can I challenge that ruling?

**Mr. Chairman:** Sure. That is not a ruling. I am suggesting.

**Mr. Samis:** I would move that we not sit tomorrow; that we resume sittings on Tuesday morning. I would make that a motion.

**Mr. Drea:** Let's hear what the chairman has to say about not sitting tomorrow and vote on it.

**Mr. Williams:** If the committee does sit tomorrow, Mr. Chairman, what time parameters are being laid down?

**Mr. Chairman:** Approximately 11 o'clock till 1.

**Mr. Williams:** We would terminate at 1 o'clock at the latest?

**Mr. Chairman:** Yes.

**Mr. Wildman:** On a point of order. I seem confused and some of my colleagues here seem confused. If we sit tomorrow we are sitting concurrently with the House. If we don't sit tomorrow are we losing a day of the 14 days?

**Mr. Chairman:** No.

**Mr. Wildman:** We don't? Can we have a ruling on that? My understanding is that we don't lose a day if we don't sit tomorrow. Is that right? That's what I want to ask.

**Mr. Chairman:** I'll have to get a ruling from the clerk on that.

To clarify that, the clerk has said he will get a definite ruling and before we adjourn at 6 p.m. we'll continue with the motion before us. All right?

**Mr. Wildman:** Okay, fine.

**Mr. Angus:** Thank you, Mr. Chairman.

**Mr. Johnson:** I thought maybe we would spend the rest of the day arguing about the 14 days.

I'm subbing for the member for Kingston and the Islands (Mr. Norton). I'm quite concerned with industrial development—my riding is Wellington-Dufferin-Peel—and I'm sure it applies to a lot of the rural ridings. I've served on the industrial committee for the past eight years, and there is really no problem in enticing industry to come in if you have an industrial base; and it isn't that hard to create the base. It doesn't require that much as far as cost but what we do need is promotion. We need promotion from the Ministry of Industry and Tourism. We have to encourage the ministry, or industry, to consider that there are places to establish other than Toronto and Montreal.

When you deal with any firms, especially from foreign countries, they seem to feel that there are only two places in Canada they can settle—in the two larger cities. Once they settle in the smaller communities, they seem to be quite content. We've obtained five in my municipality in the last six years. Three of them have expanded and they seem quite content. I do feel that it helps in two ways. The rural communities are growing smaller because the farms are getting larger and there are fewer farm people. They've two choices: they can move to the cities or they can obtain jobs in industry. If we can't provide them with industry they have to locate in the cities, which just adds further to congestion—traffic problems and overpopulation.

If you don't want to decentralize industry, you can certainly encourage more of the new industries to locate their branch plants, their smaller plants, especially the clean plants that don't cause any pollution. We've enough problems with pollution. We don't need any more. But we need industries of the size of 50, 100, 150 and this applies to practically any community in the 3,000, 4,000 or 5,000 population range. The industry of this size can grow with the community without causing any problems with your schools, hospitals and sanitary facilities. It's an industry that the community can accept and absorb without any problems, and, as one of the previous speakers mentioned, if one industry fails, you have three, four or five smaller ones.

I would like to go on record as supporting small industries to be located in smaller rural communities. I think that most rural

areas need this type of diversification to help offset the loss in agriculture segments.

**Mr. Chairman:** Have you any comments, Mr. Minister?

**Hon. Mr. Bennett:** Mr. Chairman, under the vote we're currently dealing with—while there's money in there to assist the municipalities—money from the administrative and planning points of view to assist municipalities in opening up new industrial lands, service lands in their communities—we do not as a ministry or as a government take the entire responsibility of moving industry into community A, B or C. If that should happen, you can imagine the power plays that would then commence on the minister by every committee figuring that it's his responsibility to make sure their community is looked after.

There has to be a degree of initiative from the local community. In the new programme that we are bringing on there will be some assistance programmes that will be able to strengthen them or support them in their own local promotion. Indeed, there will be funds in there to try to encourage them to find an industrial commissioner—whether he be for an individual community or for a group of communities in a given area of the province.

We realize that some communities could not afford—nor would it be money well invested—to have an industrial commissioner on a 12-month basis. To have a piece of the action of an industrial commissioner and his ability to be able to dispose of land and to bring in the right type of industries which he, the community and the ministry have surveyed, we think it would be money well spent. We hope it would certainly prove successful in assisting the communities and even expanding their programmes.

**Mr. Johnson:** Promotion is the main thing.

**Hon. Mr. Bennett:** There's no doubt about it that promotion is the main thing. I think municipalities have been somewhat reluctant because of the cost and they were never quite sure in which direction to go. I know some communities I have spoken with in various parts of the province have always felt the Toronto and Hamilton regions have such power that they just felt they couldn't compete in the marketplace with a presentation. We hope to be able to help them strengthen their presentations to industries. We hope with the assistance of our ministry, that they will go out and secure leads.

When I say "with the assistance of our ministry," maybe I should explain so that



there is a fairly clear understanding of what we will do. As most of you likely recall or know, the ministry goes into each community and does a complete assessment of the facilities that are available there for industry. We consider the availability of manpower and womanpower; the skills that are there; the social amenities that are there and so on and the churches and schools, as I have mentioned. We know what type of land is there and we know the availability of water and sewage systems, the capacity of the systems and the other related services that will be necessary for industry if they were to locate.

If an industry should come to our ministry or an inquiry should come to somebody who brings it to the ministry, we will try to relate that individual's requirements to at least two or three communities in the province that seem to fulfil the requirements to the greatest degree possible. We are not going to try to persuade a company to go into one, two, or three or four of the communities.

We will make available to it the information related to those communities. We will see to it that an industrial officer within the ministry will take the industrialist or his group of people to see the various communities and the availability of land. Once the industrialists have had an opportunity to come to a determination of one or two locations, we will introduce them to the industrial commissioner of that community if there happens to be one. If not, we will introduce them to the local council who, with our assistance in the ministry, then go on to sell them on the benefits of being in community A or B.

We try to do it as impartially as possible. We do not believe it is wise to let the name out too soon because it is tough enough when you are dealing with three or four communities. If you let the name out and you had 40 of them in here you wouldn't get an industrialist at all. He would vanish because of the confusion and the pressures that would be brought.

Some industrialists are very careful when they approach our ministry. They want to determine at what time the local community will know of their interest in acquiring land. They are very protective of their position and I must say that we are very protective of their position as well. It is not an unknown situation that an industry which appeared interested in Ontario, because there was rival factions in the province, suddenly just throw up their hands and say: "We don't want to become a public controversy. We will go somewhere else." Some of them have, and

that made it rather embarrassing for the communities.

**Mr. Johnson:** There is only one other point that I would like to make or stress. That is, we should try to encourage them to consider some location other than Toronto. I hope this doesn't bother you. Toronto has enough problems now with overcrowding and transportation. Let's give the rest of the province a shot at it.

**Mr. Eakins:** But they won't do it unless the ministry takes action as a government: [5:00]

**Mr. Drea:** I don't want to be unduly pessimistic about it but it seems to me there's a bit of a dichotomy in our position. Really, the municipality is the final judge of what it wants or doesn't want and I think that's very fair. At the same time you, through your associates, are having to act as the industrial commissioner for Ontario. The reason I say it's a dichotomy is that, for instance, I can recall a couple of years ago when you were working very diligently on behalf of eastern Ontario.

**Hon. Mr. Bennett:** I still do.

**Mr. Drea:** Yes, I know but I'm talking about this particular time. You were working very diligently yet every morning on the radio, the city of Mississauga, as it is now, was advertising; it was buying very expensive advertising, well done advertising, very attractive advertising. And obviously it was paying off. They did it for a prolonged period of time and at the end they were citing their results.

As a matter of fact their advertising was very successful because they were saying "X company from Chicago bought X number of acres of land. Now they have 200 employees and they really like the industrial parks and so forth in the city of Mississauga. This is the place to live," etc. That's around Malton airport and at that time we were trying to diversify into eastern Ontario.

There is no way that you can tell the city of Mississauga and its industrial commissioner, who is very good, that really they shouldn't do that because the rest of Ontario needs some. It seems to me there's always going to be that dichotomy.

**Hon. Mr. Bennett:** There's no doubt about it. If we live in a society where we believe—I think all parties in government today believe it—that the municipality should have the right to run its own show, we shouldn't



start saying to them, "You can do this provided you live within the lines I set down for you." The restrictions become very questionable.

I have had the opportunity on many occasions of opening new plant developments in Mississauga. I'm going to tell you that the municipal council, or representatives of the municipal council, hate to see me come out to open up buildings because I make no bones about it that while I welcome them to the province I wish they'd gone to some other location in the Province of Ontario because I'd like it to be much more beneficial in a very general tax position for us. Mississauga is a very fortunate municipality. While it had this great development, some of the advertising was paid for by donated funds from the private sector—

**Mr. Drea:** Yes, I know.

**Hon. Mr. Bennett:** —from men who were in the industrial construction industry. It was very beneficial to have people promoting the lands. On the other hand, you can't condemn Mississauga. It had, as a municipality, very substantial capital investments both in purchasing the land and servicing the land. I think I indicated to members here yesterday that through our development corporation and other various other areas we will not offer any encouragement from a financial incentive point of view in the loans programme.

As I mentioned here yesterday it's fine and dandy to sit here and say, "Restrict it." You tell a man, "You can't go into point A" and he says, "Fine. I'll go to Winnipeg or I'll go to Montreal." I'm going to tell you that doesn't improve the economics of the Province of Ontario and it doesn't enhance your position or my position in eastern or northern Ontario because we weren't successful in selling it. It does mean that we have lost another industry.

I suppose the optimistic way to look at it, if that industry happens to locate in an area which is not altogether acceptable—at least in the opinion of us at the provincial level—is to see what can be developed in a spinoff industry which could go into other parts of the province.

**Mr. Drea:** One more question: In terms of the joint venture type of operation, what difficulties do we get into now in promoting this? It seems to me this has always been a way in which we could use our raw materials to the best possible advantage—in a joint venture operation. Do we have any difficulties now that we encounter with the federal

legislation concerning Canadian participation in industry, the review board? Does that come into play at all in a joint venture?

**Hon. Mr. Bennett:** You're referring to Canadian participation or foreign participation in a Canadian undertaking?

**Mr. Drea:** Foreign participation in our joint venture here.

**Hon. Mr. Bennett:** In some cases, obviously since they'd be buying substantial portions. I believe—and I'm just trying to recall the federal legislation—that in a publicly-held company if any one block in excess of 10 per cent goes to other than a Canadian operation it must go to the review board. The criterion of the foreign review agency is to find out what will the foreign investment do to enhance the economy of Canada. Obviously, if they had the technology, as an example, and we had the raw goods and the skilled labour force required—

**Mr. Drea:** And they had the market.

**Hon. Mr. Bennett:** —and they could very well have the market—obviously, they would more than likely receive very favourable consideration from that review board and from the governments of both Ontario and Canada. The Foreign Investment Review Agency, I think, has a purpose today, no doubt about it.

Mr. Garland could speak on the joint ventures, the missions, and so on that we have had. We have certain things here, but we need the technology or we need the markets.

**Mr. Garland:** In our latest bulletin, which I think is available, we actually have five pages of joint venture opportunities for Canadian firms. It is a tool that our staff uses to try to encourage Canadian companies to participate in joint ventures. I think there was one particular situation that occurred in Dundas involving a foreign-owned company at the time the first phase of FIRA came in, in which the activity took place internally in the province. In other words, we were the ones who brought the two together and encouraged that particular operation to take over a very sick company and carry on with an excellent product line. Before FIRA was actually under way, we helped the firm to prepare its application.

**Mr. Drea:** I am not questioning what we do, I am questioning the impact. I know the joint ventures are there from Ontario, but what I am trying to get at is what role is the federal government playing with their legis-

lation. Is this a deterrent, or is it having any impact at all?

**Mr. Garland:** What is being reported is —

**Mr. Drea:** I know we report, sure; but I am talking about their decisions, really.

**Mr. Radford:** We have had a joint venture programme for years, which the federal government is now putting into effect. So I think they are very much in favour of it, rather than being restrictive.

**Mr. Wildman:** I would just like to comment in relation to that. I agree that municipalities must be allowed to govern their own affairs, but certainly not just your ministry but the government in general should be involved in trying to make it more and more attractive for industry to develop in other areas. I know the ODC and the NODC and the EODC are doing as much as they can to give loans and aid to companies to develop and establish in other places, but it also involves a lot of other things, such as developing an infrastructure in an area that makes it more attractive for those companies to develop there. I don't really think that a small community has all of the resources or the expertise in order to do that.

**Hon. Mr. Bennett:** I think you have touched on a very good point. I hope that we are not of the belief that every community wants to grow industrially, or that every community should grow industrially. I think we have to become somewhat realistic as to how many dollars we have available and whether it is logical from a land point of view, an investment point of view, and a few other things, to allow industry to plump itself down in the midst of a community. The initial brush mark across the canvas might look great, but if you have to scrap the painting at the end because it has just become a dog's breakfast for the community from a financial point of view and an economic point of view, then we have created a problem for ourselves.

We have an inter-ministerial committee that is going to assist greatly in this industrial parks programme I was talking about under this service section. It will take into account all of the facts and also have a great deal of input as to where we should be moving, at what pace, and the type of industries we should be looking at. It's fine for a community to come in and say they want to make available, let's say as a wild guess, 250 or 300 acres of industrial land in that community. We want to know from a practical point of view, from the provincial govern-

ment's point of view and the industrial point of view, if that is a realistic number. I have some communities coming in and asking for what we believe to be a completely unrealistic industrial park completely serviced at this time.

**Mr. Wildman:** Right, that is the point that I was trying to make, that they sometimes do not have the kind of information that you have.

**Hon. Mr. Bennett:** Right, and you ought to hear them when you tell them that. They squeal blue murder that all of a sudden the government is trying to stifle their industrial development programme. They haven't even started to crawl and they haven't even walked but they want to run. What we are afraid of is they are going to stumble on the white line.

**Mr. Wildman:** Perhaps you should be giving them a vehicle to help them.

**Hon. Mr. Bennett:** That is what we are doing in the process of this legislation.

**Mr. Chairman:** Item 3 carried. Item 4.

**Mr. Williams:** What categories do the service industries come into? How broad a definition do you apply to the service industries? What range of business are you talking about?

**Mr. Garland:** It breaks down into such a vast area, at this point in time. If you wanted to generally, broadly categorize it, it covers services to secondary manufacturing, in other words tertiary industry. It also covers the whole area of consumer service industries and it would cover the phase of recreational services to some extent, to the extent where it doesn't overlap with our tourism side. It covers financial services which at the moment we are not covering. Our main concentration at the present time would be in the area of industrial services and in the consumer services. That's where we are concentrating with our limited resources at the present time.

**Mr. Eakins:** Is this just the second year of this division's operation?

**Mr. Garland:** Yes. The first full year.

**Mr. Eakins:** It is the second coming up. You would describe the first year as a success?

**Mr. Garland:** I think the first year was spent in identifying the problems of the service industry. What we elected to do was to take specific areas which we felt were quite



important, one being the tertiary services to secondary manufacturing. If I can use one example, what we started out and analysed were the services necessary in buildup industrial communities to make sure secondary manufacturing operated. We then went, and are going to, the areas that need to be developed to try to identify the services that are not available in that community. There is one particular area on the north shore of Lake Huron where perhaps they were interested in an industrial park, but their real identified need at this point in time is eight service industries that would serve the particular mines that are in that area.

**Mr. Eakins:** I was just wondering. I notice the increase is \$269,000. So it is a result of this first year's performance that you require this?

**Mr. Garland:** Yes.

**Hon. Mr. Bennett:** Yes. One thing that we have brought into the service sector that was not in prior to this date is the allocation of funds for the film industry programme to try to stimulate some activity there. We are still in discussions with them.

**Mr. Eakins:** I see. Okay.

**Mr. Chairman:** Item 4 carried.

Vote 2002 agreed to.

**Hon. Mr. Bennett:** Thank you, Mr. Garland. I call on Mr. W. A. Fowler, the executive director of the division of trade to join with us now.

On vote 2003:

**Mr. Chairman:** Item 1, programme administration of the trade development programme.

**Hon. Mr. Bennett:** This will relate now to the trade missions that you were entering upon a few minutes ago.

**Mr. Eakins:** Under item 1?

**Hon. Mr. Bennett:** No. Item 1 is the programme administration. Item 3, international marketing.

**Mr. Chairman:** Item 1 carried. Item 2.

[5:15]

**Mr. Eakins:** I would like to know what return benefits we in Ontario have received from our trade missions in the past year. In 1973, for instance, 29 missions produced—

**Hon. Mr. Bennett:** I am sorry, Mr. Chairman, that is under what we call item 3 of

this vote. Are you referring to the trade missions?

**Mr. Eakins:** Yes, international.

**Mr. Williams:** Mr. Chairman, it seems to me that it is one of the few areas in which there has been a decrease in programme and activities. It stands out like a sore thumb. I guess I could put it that way. I was just wondering what were the circumstances that have shown this particular sector of the trade development programme to have waned or not to be apparently as aggressive as far as involvement of government expenditure is concerned over the past year.

**Mr. Fowler:** Mr. Chairman, the domestic marketing branch just got underway last year. We did have our promotional expenses for that particular branch, which is the sum of \$200,000. In this past year, we changed that sum over to my own office, the executive director of the administration side. This is one of the reasons for that drop in the budget.

**Mr. Williams:** What did the \$200,000 relate to?

**Mr. Fowler:** That was on our promotional advertising in the domestic marketing branch. That was changed over. It was only a book entry into the administration side. That accounts for one of the large amounts. There were other amounts that were taken out of the domestic marketing side. We had quite a big expense on seminars in the first year but we decided to cut that down and in the second year put more over to the international branch. It was really a book entry that has caused that changeover from the domestic marketing into the administration side.

**Mr. Williams:** I understand that. Your closing comment, however, indicated there was a twofold reason though primarily a book entry situation. But latterly, I think you said in your concluding remarks, the emphasis was transferred to the international marketing area rather than the domestic. Was I correct in that understanding?

**Mr. Fowler:** Right. You are referring to this drop in services from \$373,000 in 1974-1975 to \$58,000. Of that amount, \$200,000, which was advertising and promotional, which was taken care of in the domestic marketing side, we moved over into the administration side which comes under my direct control.



**Mr. Williams:** I understand that, but I thought your concluding comment indicated that also more emphasis has been given in the international marketing area than in domestic marketing.

**Mr. Fowler:** Yes, in the first year of the domestic marketing side we did put most of the advertising there to try to promote that branch. Then by having it under administration, I have divided the emphasis up both on the domestic marketing and the international marketing advertising.

**Mr. Williams:** Does that necessarily reflect that there is a lesser interest being given to the domestic area?

**Mr. Fowler:** No, it doesn't.

**Mr. Williams:** That is what I wanted to clear up.

**Mr. Angus:** Mr. Chairman, first, to comment, I would like to express my dissatisfaction that one of the participants in the trade missions is a company that I think we all have heard of and which has many arms and fingers and tentacles. It is quite surprising to see that Canadian Pacific Hotels has had its fare paid to two areas in the world, one being to Poland and Romania and the other to Kenya, Zambia and Malawi.

**Hon. Mr. Bennett:** This is item 3, but I can clear it up now so that there is no misunderstanding. In the trade missions, we select industries that we believe have an opportunity of getting into a foreign position, into an export position. In the field of tourism, and we will deal with that one, we take people on what we call tourism missions to develop foreign tourism into Ontario. Indeed, we might select eight firms to go with us and for those we would pay their economy return fare to the point and back. We might also have firms that would appreciate the opportunity of going on the mission because we are the catalyst organizing things in other countries for them. They pay their own way fare-wise, hotel-wise and so on. In other words, we like to think that if there are others who have a real desire to go, we don't restrict it. We don't want to finance it because we have only a limited number of dollars. We also look at who they happen to be—in one or two others you will notice an outfit known as CIL—CIL paid its own way. But we were the catalyst.

**Mr. Angus:** You are suggesting that CP did, in fact, pay their own way.

**Hon. Mr. Bennett:** That is correct. I can assure you that when their name came on the sheet, I also had a little comment.

**Mr. Angus:** One other item in the trade missions. A company which has a major base in Thunder Bay—in fact, tomorrow they will be signing a \$50 million contract with the government of Mexico—went on a trade mission to the west coast of the US, I am not certain which area of the west coast. I hope when companies go on these trade missions your ministry takes a look at their corporate structure—at what other subsidiaries they have. What I am getting at is Hawker Siddeley has a subsidiary in BC which recently took over the trailer construction portion from Thunder Bay. I hope that trade mission sponsored by Ontario did not relate to that move west.

**Hon. Mr. Bennett:** Yes, we do an analysis—I just cleared it.

We try to do an analysis of the industry potential in the marketplace to which we happen to be going. Some people have asked us why we take other than a Canadian company—a parent company, a foreign company. They are producing goods in this country and they could very well have an export potential. If we can increase their sales volume, we can increase job opportunities. A lot of these subsidiary companies have to stand on their own two feet. If they cannot stand on their own two feet, they just sink. So it's imperative that we, as a government, try to secure their financial position to safeguard the employment opportunities they created. Once they are in Ontario, it's all to our credit if we can do something to increase their volume of production. We are very careful though. We don't like to get into any dog fights with two industries, one against the other.

**Mr. Fowler:** If I might add to that, sometimes a company with a plant in Ontario has plants in other provinces as well. Most of the product may be made here, but certain items may be made in the other plants. It is a help for Canada as a whole if Ontario gets some advantage from it.

**Mr. Drea:** Just out of curiosity I'd like to explore the possibilities of a trade mission to Taiwan. There are some Chinese companies in Taiwan that are interested in joint ventures in Canada.

**Mr. Chairman:** I think we could do that under item 3, international marketing developments.

**Mr. Peterson:** What are the minister's views on government participation in venture capital business?

**Hon. Mr. Bennett:** We are not dealing in the area of venture capital at the moment. Mr. Chairman, if you want I can give some brief description of it.

**Mr. Chairman:** We will deal with that under another vote.

**Hon. Mr. Bennett:** Under 2005, operations division.

**Mr. Chairman:** Can the Chair say item 2 is carried? Carried. Item 3.

**Mr. Eakins:** I'd like to know what return benefits we in Ontario have received from our trade missions in the past year. In 1973, for instance, 29 missions produced first-year sales of about \$16 million—these are your figures I am using. I'd also like to know what has been done in the last year with marketing opportunities in South America in terms of high technology in the lumbering, mining, and electricity-producing industries. I understand that past research for that continent has revealed consumer products, as we know them, are not as marketable for a variety of socio-economic reasons. So in that light, what developments have you made in these other heavy-duty items?

On another point, has the cost of air fares caused any cutbacks in the missions as it did last year, from 42 to 38? Or did you take this into account in the original estimate of the number of missions?

**Mr. Fowler:** To answer the last part of your question first, we did take into account that there would be increased air fares this year. However, even during the year they have been going up continually and there have been instances where we've had to be a little bit more selective with our missions. Where usually we took eight people, if there was some doubt of getting an extra company we would cut it down to seven to see if we could maintain the number of missions during the year with the limited amount of money that we had.

To answer your question about Latin America, yes, to sell consumer products in Latin America is very difficult. We have had a number of missions down there and we are concentrating mostly on companies that can sell capital products involved in capital projects. We also have had some companies that were unable to sell in that market because of restrictions and import controls. We have been encouraging such companies to

look into the possibility of having their products made there under a joint venture or licensing arrangement so the Canadian company would get some advantage in the way of royalties or by sending certain component parts down there for manufacturing.

**Mr. B. Newman:** I want to ask of the minister if there is any analysis as to the labour content of materials exported on these trade missions and so forth so that, in dealing with that specific jurisdiction, we don't import any more goods or products from that country other than the amount, or that the labour content of both be in balance fairly well. Or that we have the surplus rather than the deficit.

In other words, in the manufacture of, say, a wheel that goes on any vehicle, we know the exact amount of labour involved—the hours, minutes and even the seconds—plus the amount of material that's involved. We may not know, but the industry does know. If it's known that in the production of that wheel there may be only 15 minutes of labour, and if we export a given number of wheels, we can multiply the number of wheels times 15 minutes to determine if we are in balance as far as labour content is concerned, rather than as far as dollars are concerned.

**Mr. Fowler:** I'm not aware that we have any breakdown in terms of the actual labour involved. One can only really take it on the amount of dollars of our exports, and it was mentioned the other day that about 23 per cent of our gross provincial product is made up of exports. Much of that is natural resources, admittedly. All we can do is try to calculate on the basis that "X" factory sales of, say, \$45,000 would employ one person. This varies in different industries. There may be some areas where there is \$50,000 or \$60,000 in "X" factory sales which relates to one job. In other areas it may be only \$30,000.

We have been having discussions with Statistics Canada to see if we can determine a more accurate figure on "X" factory sales as it relates to jobs. A more accurate way, of course, would be to get involved in value added, but I'm not aware that there is any real way of telling the actual manpower involved in exports.

**Mr. B. Newman:** I would think that almost every industry that operates in the Province of Ontario works on a labour content basis and knows the amount of labour involved in the production of a particular piece of material. The automotive industry, for example,



knows to the minute and the second the amount of labour involved in the production of every single piece. I would assume those figures are available. They may not want to reveal them to you but they would know.

We may be exporting goods that are very low in the use of our manpower and importing goods that have a lot of labour involved. For example, a pound of steel might leave here and, let's say, for the want of a figure, it involves 15 minutes of labour, while we import watch springs that might involve 20 hours of labour.

[5:30]

**Mr. Fowler:** We are aware, of course, that this is one of our problems with Japan. We realize that we are importing many items from Japan that have a high labour content, whereas our exports to Japan, generally speaking, do not have a high labour content—mostly natural resources, which are maybe only semi-processed.

Of course, we are doing everything we can to see if we can sell more manufactured products to Japan and we are continually pointing that out to them, particularly at the federal level. There have been a number of meetings with Japan to point out to them that we want to try to get more business with them where it relates to manufactured goods coming out of Canada.

**Mr. B. Newman:** We always think of balance of payment in dollars, but we never think of balance of payments in the amount of labour involved in the manufacture or the production of a certain thing. We export wheat and import puffed rice or puffed wheat.

**Hon. Mr. Bennett:** Our very first concern is to try to get into the export market as many goods as possible with a high dollar volume. Obviously, dollar volume does at times have some relationship to labour content and things of that nature. It would be great if you could sit back and you were a country that was in demand for everything you made. You could select the items you were going to export. Let me assure you, we don't turn any down.

**Mr. B. Newman:** I really don't say that we should select what we are going to export. I say that we should try to export as much as we possibly can of the items that have a high labour content rather than export a lot of the products that have very little labour content. I think we should have figures to show the amount of labour content in practically everything that we export.

**Hon. Mr. Bennett:** What would be the use of the figures? The fact is, very clearly and very distinctly, this ministry and the federal government work very close together in trying to export from Ontario and from Canada as many goods as we possibly can that are manufactured here. One of the emphases that we have placed upon our negotiations and discussions with other countries of the world is that we want to see our natural resources upgraded closer to a finished product than we have been able to succeed at doing over the last number of years.

I can give you some statistics which are not pleasant in respect to raw goods leaving Canada—not so much Ontario but Canada—and going into Japan and then the reverse position, because they are just about in that reversed position.

About 98 per cent of our exports to Japan are in raw goods; two per cent in finished salable items, and when we look at the flow back into Canada it is just about the reverse—98 per cent finished goods; two per cent raw.

**Mr. B. Newman:** This is what disturbs me.

**Hon. Mr. Bennett:** The fact is that if I didn't know how many man hours went into making a wheel it doesn't really bother me; I am interested in whether we can sell that wheel in the United States or in Great Britain or in the European Economic Community or wherever else it might be. That's really what we are striving for.

**Mr. B. Newman:** We wouldn't make it in the first place if we couldn't sell it, remember.

**Hon. Mr. Bennett:** I don't know. I see a few stockpiles around this province and around Canada at the moment, and I am not quite sure what they were made for.

**Mr. B. Newman:** It disturbs me a bit when I see the labour content being involved in the auto trade pact. We will bring in from the United States a ready-finished or practically finished stamping, our industry will punch two holes in it and it goes over there as Canadian content simply because it went through our hands a bit. I don't think that is really right. I understand there is a lot of that going on.

**Hon. Mr. Bennett:** The only thing that relates to Canadian content is the processing that we do in this country.

**Mr. B. Newman:** It depends on what you call processing. If the processing is simply punching three or four holes in it that's not processing.



**Hon. Mr. Bennett:** That is the cost factor. That's right, the cost factor and the value of that added service is the export value in the auto pact agreement, that's all.

**Mr. B. Newman:** You are more informed than I am, Mr. Minister, and your officials are, but what I am told is that a lot of the sub-assemblies that are brought in have very little Canadian labour added to them and then they are sent back for assembly in the United States and they are considered as Canadian content and that vehicle comes back, completely manufactured, into Canada. To what extent it goes on I don't know, but I am told this. Your officials can probably answer a little better. This is the kind of thing we've got to watch.

**Hon. Mr. Bennett:** I grant you the interpretation of the whole Act becomes difficult. That's why there are a great number of lawyers working for all the automotive associations—I'm thinking now of the Canadian automotive parts manufacturers and so on—to make sure the agreement has lived up to its full intent since it was signed some years ago.

I have travelled on lengthy trips through your part of the province on three or four occasions to visit many of them. I'm always amazed at the volume of production in your part of the province by casting people and so on which is used 100 per cent in the United States' manufacturing of automobiles. There's no doubt that one of the big challenges this ministry has is to try to improve our labour content in the automotive industry, as it is in any other we can get into.

**Mr. B. Newman:** In any industry, right.

**Mr. Cunningham:** I don't want to overwork this point but I think Mr. Newman has a very good point here. I think possibly now would be the time when we realized that a study of this would be a very meaningful exercise. Certainly, we in the government have the leverage, I think, to work with these companies so that this could be determined. We could certainly make a much more concentrated effort, if I could say, to develop secondary and tertiary industry and find out where these areas exist so that we might eliminate this practice.

**Hon. Mr. Bennett:** I'm not sure that I follow your question. You're relating to the labour content of the goods?

**Mr. Cunningham:** Yes, I am.

**Hon. Mr. Bennett:** With labour content of the goods we're into what we call exporting,

the opportunity of exporting goods manufactured in Ontario. We continue to follow all the manufacturing opportunities in Ontario and try to get their goods moving out of the country. We have seminars; we have promotional tours; we have a great number of other things. While it might be interesting to know how many minutes it takes to produce a widget, is it going to enhance the position of trying to export it? I don't think it is.

We continue to try, as we explained to Mr. Newman under a previous vote, to expand industries within the various parts of the Province of Ontario. I'd be glad to discuss it further with you as to what you see as the need. Maybe I'm missing the point completely. What do you see as the need in knowing of what the labour factor is in producing?

**Mr. Cunningham:** I think, with respect, that your perspective has been on dollars. Certainly I think that has been appropriate.

**Hon. Mr. Bennett:** Let me just clarify that. That has been a world perspective. It's not singular to Ontario; it's Canada, it's the United States. We've all dealt in dollars.

**Mr. Cunningham:** I accept that but I think in addition to that, in fairness to our labour market, we might consider a study of this which would possibly augment your previous perspective. In the long run, for the people of Ontario, there might possibly be greater employment opportunities.

**Mr. Fowler:** If someone is successful in the export market and has a sale very often they write to us and say, "Because I've been able to increase my exports I'm now able to employ five or eight or 10 more people." I think this is really where it relates to jobs. I think this is the important part.

**Mr. Eakins:** I was going to ask a question, Mr. Minister. Next year the Olympics are in Canada and it seems to me this is a ready-made opportunity for us to sell on the international market since we will have a lot of people coming to our doorstep. What steps is your ministry taking to take advantage of these people coming to Ontario?

**Hon. Mr. Bennett:** There are two things. First of all, I should explain that there is a very difficult rule set down, I think maybe rightly so, by COJO—I think it's by Olympics period—that countries are not permitted to get involved within the Olympic sites on a commercial basis.

In other words, we had a great idea, at least I thought it was a great idea. Down at

the Kingston waterfront, where the boating activities will take place for the Olympics in 1976, we were proposing to put in a mammoth-size display of goods manufactured in Ontario, particularly those relating to the boating industry and so on. When we proceeded to make arrangements for it, trying to make a contract, we were advised very quickly that was completely out of the question. There are no provisions.

The other thing we will do is that our people in our foreign offices around the world will be in touch with industrialists who will more than likely be coming to Ontario next year. We will be providing opportunities for them to come and do some plant tours and tours of various communities when we have an indication they have a desire—maybe not tomorrow, maybe not in 1976—but they are looking at the possibility of plant expansion outside of their own country.

**Mr. Eakins:** I think this is an excellent opportunity to take advantage of these people coming from around the world to Canada. Ontario shouldn't miss these opportunities, because this is really better than trade missions to another country. I know there are going to be a tremendous number of people coming to this country next year for the Olympics.

**Hon. Mr. Bennett:** I might explain something under the vote we are dealing with at the moment. While we have missions that go out of Ontario to various parts of the world, we also have provisions in the allocation of funds for what we call incoming buyers. In other words, when we are advised that an individual has a desire to come here and where, in the opinion either of the Canadian representative in the foreign land or our own representative in one of our foreign offices, it would be—

**Mr. Eakins:** Beneficial.

**Hon. Mr. Bennett:** —to our benefit, then we will see to it that the same type of courtesies are extended. There is a return ticket to come over so that we have an opportunity to present our case. It's been very profitable.

**Mr. Eakins:** So this is being developed through your people in the various countries in connection with the Olympics.

**Hon. Mr. Bennett:** That's correct.

**Mr. Pillgrem:** Together very closely with the federal people.

**Hon. Mr. Bennett:** I think we should compliment the federal government for the opportunities that we've had in working with them in many of the foreign countries. We certainly don't cover as many as they do, nor is it our intention to try and cover as many. They have been very courteous to our delegations when they have gone out into the various parts of the world where we are not represented, seeing to it that the mission is completely put together. They put all of the facilities that they have at the disposal of the ministry people. It does have a rewarding factor for us.

**Mr. Chairman:** Just before Mr. Peterson speaks, I would like to inform members that the motion presented by the member for Cornwall (Mr. Samis) has been withdrawn, upon the advice of the Clerk. That means we will be sitting tomorrow.

**Mr. Peterson:** Are there any mechanisms whereby you monitor the ongoing value from trade missions?

**Mr. Fowler:** Oh yes.

**Mr. Peterson:** I am just looking at your report here. There is roughly \$18 million in sales as a result of trade missions; \$3 million as a result of incoming buyers; \$2 million as a result of international exhibitions. What would be your cumulative ongoing figures? Could you tell me something about the total?

**Mr. Fowler:** We have records on each of the trade missions that we have been sending out over a number of years. We do have our fellows follow up on a six-month basis. They go back to a company and say, "Look, you said that you had taken a sample order of \$20,000. You thought you would get another \$100,000 in the next six months. Have you, in fact, got the business; and, if not, why not?"

We are continually following up to see what business they are getting. In most cases they really get more than they originally anticipated, if they really put the effort into it. If they don't, of course, we push them to see that they do put the effort into it.

**Mr. Peterson:** Could you tell me what the figures are as the results of the international trade missions and the international market-branch for 1974?

**Mr. Fowler:** On international trade fairs?

**Mr. Peterson:** Yes. It seems to me your programme of somewhere over \$1 million



generated about \$23 million in sales in the first year. Would you agree with that?

[5:45]

**Mr. Fowler:** Yes, our actual trade missions in 1974-75 brought in just over \$16 million. The international trade fairs we were involved in in 1974-1975 brought us initial sales of \$1,818,200. We look on the immediate sales side where it is important and we would like to relate this to the expenditure. This, admittedly, is the real reason we are trying to get out and get business.

Very often it is much more beneficial to a company if he can make arrangements with a good agent or distributor when he is over there on a trade mission, or at a trade fair. This will give him better long-term results.

We encourage that, rather than having him go over there, try to get a sale, and maybe go back again in another three or four months; for if he doesn't, he doesn't get further business. So we try to get him lined up with a good agent or distributor. Then we follow up and we find this brings the business.

**Mr. Peterson:** I am interested in trying to monitor results because it's a pretty costly programme—\$23 million worth of business is not a heck of a lot by international standards—

**Mr. Fowler:** No.

**Mr. Peterson:** —or by anybody's standards. Unless there is some indication somewhere that you are getting good and substantial follow-up, you are running over five per cent superimposed upon the company's cost of sales. I have spoken to several people who have been on international trade missions. They tell me that they have never drunk so much in their lives, that there is very little efficacy and that they really did it out of courtesy to the government.

**Mr. Pillgrem:** I don't agree with that.

**Mr. Peterson:** I don't want to quote names here.

**Hon. Mr. Bennett:** Maybe I should just have something to say from a political point of view. I am sure most of you have read on various occasions where I, as the minister—and previous ministers, both provincially and federally—have gone on government-sponsored trade missions. Some would question why a minister should go on a trade mission. Well I questioned it the first time I went out, I guarantee it.

I got there and I started to find out what happens when a minister comes along. While you have industrialists and the people in the

field, both federally and provincially, who are able to do a great deal in arranging appointments and so on, there are a number of doors in companies of the world that won't open unless a politician happens to be along.

I can think of places like Indonesia. I can think of places like Brazil. I can go through a number of other countries where the opportunities of dealing with governments, which are controlling a great number of the industries, just do not arise unless the political representative of government is there.

I have been on three major missions since I have been minister and I haven't experienced what you comment on. I have experienced the reverse, where businessmen have said to us, we are **here for three days**, four days in the next community, maybe three days in the next community. At the end of 12 days they are on their way back to Toronto or wherever they happen to come from, and most of their problem is in the number of appointments that we have arranged for them. They find themselves wearing out at the end of five or six or seven days.

I would be less than honest with you if I said that 100 per cent of the people who go out on a mission apply themselves to the job at hand. It would be great if I could pre-judge the one or two individuals I have met who didn't put themselves to work at the job they were there for as diligently as they should have. I have no hesitation in saying to you, as an individual who has made the trip—everyone thinks it is great that the minister had a holiday—I went for 21 days to southeast Asia, covered 25,000 miles and eight countries. You think that is a holiday? When I came back I was ready for a holiday.

An industrialist is in no different position. You are always working with the difficulty of translation services, not being familiar with the conditions. I can only defend businessmen I have met on these missions 100 per cent. They were dedicated.

**Mr. Peterson:** I am not so concerned about that because I have done business with many of the countries you have travelled through. I have never once been involved with a government official. You occasionally invite them when you are signing an agreement just for the official photograph; that's been my experience. They have been a hindrance rather than a help.

**Hon. Mr. Bennett:** Can I interrupt?

**Mr. Peterson:** What I am suggesting to you rather than give my opinion or that of others I have talked to, I just question whether the



results of \$23 million worth of business out of this department justifies its existence. Do you feel it does?

**Hon. Mr. Bennett:** If you are going to do everything on a dollar for dollar position, it would be difficult to say that every mission was a self-sustaining mission, I have to be able, I think, as a businessman, to look at the long-range opportunities which will come.

**Mr. Peterson:** That's why I asked you what the historical record is—if this year's programme will generate \$100 million worth of sales next year, or \$500 million. That's why I am asking. Give me an historical perspective on this thing. What results have you got for the last five years?

**Mr. Fowler:** I would like to read a letter to you, if I may. It is dated July 15, 1975 and it will give you the idea. Many of these companies are involved in large capital projects which are the only thing we can sell in many of these countries, as was mentioned earlier. This company wrote us a letter on July 15, 1975, referring to a trade mission in which it participated in February, 1974; that's almost a year and a half afterwards. The letter said:

We've just received our first major order. This order, whose value is over \$500,000, is for four-inch, eight-inch and 18-inch characters and associated controllers for four race tracks in the Sydney area. As a result of the trade mission, we selected STC Can. Pty. Ltd. as our agents. The decision was a difficult one with the alternative being AWA.

I won't go through the whole letter, but I just wanted to point out to you that business can sometimes only be realized a year and a half or two years later. Admittedly, when we take the people on a mission, we give them a form to complete. We usually send this form after they've been back three or four weeks and have been able to sort themselves out, asking them what business they actually did on the mission and what they feel they may do in the future. As I say, we follow up afterwards to see if they are actually doing this business in the future.

What we don't do is we don't come to you and say: "As a result of the mission, we did \$X million; and now this year, as a result of that, it is now up to \$20 million and \$30 million." We would be following up on those people to go on missions continually. We do follow them up for about 18 months afterwards and we are in touch with them further than that, but we are not onto them all the time to say how much business did they do

today so that we keep any continual record of it. It is really to make sure that they are now solidly in the market and they are getting business. This is really what I think our main job is.

**Mr. Peterson:** I would suggest to you that it would be worth monitoring. Frequently programmes like this become a function of the aggrandisement of the government and maybe become ongoing programmes that are pretty tough to get out of and are a nice holiday for several people because they are treated very well.

I, as a businessman, question the efficacy of a great number of these programmes. It seems to me the results on the face of them, unless there is evidence to the contrary, are not very good and that there are better programmes you could do, if you were to develop an export credit programme. Those are the real problems facing business today.

**Hon. Mr. Bennett:** We have an export credit programme.

**Mr. Peterson:** I know you do and it is pretty cumbersome to get through. There are other ways of financing. Most of these businesses, the ones we are trying to encourage, aren't serious capital problems. My opinion is that there would be a better approach to these types of problems.

I'm trying to be constructive here. Those are the serious problems faced by businessmen today, and they are not the ones going on a trip.

**Hon. Mr. Bennett:** I grant you the present programme can always be put into question as to whether the dollar volume is really returned. Not all of it is easy to account for. I recall a mission we went on where it was virtually technology. It will be five years before it starts to produce anything in returns for us. It is an atomic development.

I think of one that we went on a short time ago which is into an area which has a mass requirement of planning, architectural and engineering skills that will be needed. I know that one won't be any short-range problem. And there are others that are difficult to measure.

We take, to some degree, some advice and guidance, I must say, from the federal ministry. We consult with them on the products with which we are trying to penetrate the market as to whether they concur with our findings. I'm not going to say that on all occasions where they may not agree with us we would turn a particular manufacturer away if he indicated he had some desire.

I say in fairness that we are always interested in trying to bring new programmes on that will help us to expand the export potential. Unless we get into the marketplace, while it might be somewhat expensive initially to get into it, unless we do penetrate it and put Ontario's name forward and our manufacturing names forward, we'll be lost.

I have to doubt sometimes whether some of the foreign offices we operate are essential. While I make that statement, there are two or three other provinces going out and opening up offices around the world, as if they were a dime a dozen. You know, the costs just stagger the imagination of myself as the minister in this province. I just can't believe it.

I said to the federal-provincial conference not so long ago that I thought we might try and revamp some of our programmes. I'm sitting with the ministers of at least two of the most industrialized provinces in Canada, and their attitude is that they thought we should be moving in exactly the opposite direction. Federally, they think we should be keeping our position strong in the foreign marketplace.

But if you have some ideas of areas that we could penetrate, new programmes that we could bring in, we're more than anxious to sit down and discuss it in detail and try to see what they can do for us.

**Mr. Peterson:** The single biggest problem facing business today is the capital problem. That is the kind of thing that I would be working on.

**Hon. Mr. Bennett:** I am going to tell you that there is no fiction of the imagination in the shortage of capital in a great number of operations. Most of these companies we're dealing with, of course, are in a fairly stable position. But the opportunities of expanding their markets is what's necessary. The capital problem I'm always interested in discussing, but that would have to come under ODC.

I've asked in the last sitting of the House; and, Mr. Samis, I'm sure you got a letter from me as did all the other members, which very carefully asks for new ideas in how the development corporation programme of this province could be expanded, within realism, to assist in the capital programmes and so on. I have to tell you that a great number of letters came back saying that the programmes we had in place appeared to be serving the bill. We had some, I must admit—those representing farm communities—who were very aggressive in telling me how we should bring

in some new financing programmes for the farm area, which doesn't fall within ODC. But if there are some ideas, I'm more than receptive to see what we can do.

**Mr. Peterson:** Just to sum up—basically my concern is that with the province competing and the federal government being involved in similar programmes, I think there could be more co-ordination and less waste.

**Hon. Mr. Bennett:** Let me just not confuse you that we're competing. Any programme that we happen to be conducting as far as trade missions are concerned is cross-referenced with the federal government. The federal government sees it essential that provinces take their manufactures and make them present in the marketplace. The federal government's job isn't to come in and do it for Ontario and Quebec. They'll do it on certain lines where they see there are some advantages from a national point of view. Quebec's doing it successfully, BC has started a very ambitious programme, Manitoba got into it in the last few years, Alberta is into it very strongly, and New Brunswick and some of the other provinces have also moved into it, not with the same degree of effectiveness because they just don't have the diversity of industry to go into a foreign marketplace and to find opportunities for their manufacturers.

We have one thing in Ontario. We can either put together a trade mission on a single-item basis—in other words, a particular line of goods—or we can take out a trade mission which is composed of people of varying types of products or compatible products so that when others are looking at markets they could very well be assisting one another in the foreign country.

**Mr. Peterson:** Just on the face of it I would say that 37 trade missions to 48 different countries with a result of \$18 million in sales is a pretty dismal performance for the money involved.

**Mr. Fowler:** You will find out, sir, if you do a little calculation that it's around \$70 million in sales that we know of, not looking over a long-term period for every dollar that we're spending. In fact, it is a pretty good return on your money.

**Mr. Chairman:** It's now 6 o'clock and we have two other people who have asked to speak on this vote, so I guess we will carry it over until the next session.

**Mr. Eaton:** Before we leave that one on trade missions and the return of dollars, I'd

just like to point out that you can't measure on just what you sell this year. We were involved in a trade mission in 1966 that had less than \$1 million worth of sales. This year, we'll be over \$20 million in sales.

**Mr. Peterson:** I asked that question but I didn't get an answer.

[6:00]

**Mr. Chairman:** Just before we adjourn, I'd like to inform the committee that the member for Cornwall (Mr. Samis) has withdrawn his motion; I believe we're aware of that. I've discussed the matter with the government House leader, and he will discuss tomorrow morning with the other House leaders

whether it's possible to consider Friday morning and, in this case, Tuesday evening, as sitting days.

It appears now that this committee will not sit on Monday or on Tuesday afternoon, because on Monday afternoon I believe the Leader of the Opposition (Mr. Lewis) is replying to the Throne Speech and on Tuesday the member for Brant-Oxford-Norfolk (Mr. Nixon) will be replying to the Throne Speech. Therefore, we will sit tomorrow morning—I'd like to say starting 10 minutes after the question period; we started about 30 minutes after the question period today—and then we will sit on Tuesday evening at 8 p.m.

The committee adjourned at 6:05 p.m.



## CONTENTS

---

Thursday, October 30, 1975

Industry development programme, concluded .....	S-63
Trade development programme .....	S-79
Adjournment .....	S-88

## SPEAKERS IN THIS ISSUE

---

Angus, I. (Fort William NDP)  
 Bennett, Hon. C., Industry and Tourism (Ottawa South PC)  
 Cunningham, E. (Wentworth North L)  
 Drea, F. (Scarborough Centre PC)  
 Eakins, J. (Victoria-Haliburton L)  
 Eaton, R. G. (Middlesex PC)  
 Johnson, J. (Wellington-Dufferin-Peel PC)  
 Leluk, N. G. (York West PC)  
 Newman, B. (Windsor-Walkerville L)  
 Peterson, D. (London Centre L)  
 Samis, G. (Cornwall NDP)  
 Sargent, E. (Grey-Bruce L)  
 Wildman, B. (Algoma NDP)  
 Williams, J. (Oriole PC)

**Ministry officials taking part**

Fowler, W. A., Executive Director, Division of Trade  
 Garland, M. L., Executive Director, Division of Industry  
 Pillgrem, F. J., Deputy Minister  
 Radford, N. R., Executive Director, Small Business Operations Division











# Legislature of Ontario Debates

SUPPLY COMMITTEE

ESTIMATES, MINISTRY OF INDUSTRY  
AND TOURISM

OFFICIAL REPORT — DAILY EDITION

First Session of the Thirtieth Legislature

Friday, October 31, 1975

Speaker: Honourable Russell Daniel Rowe  
Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975



## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MGS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.



## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

---

FRIDAY, OCTOBER 31, 1975

The committee met at 11:05 a.m.

#### ESTIMATES, MINISTRY OF INDUSTRY AND TOURISM (continued)

On vote 2003:

**Mr. Chairman:** I will call the committee to order. We will begin with item 3, vote 2003.

**Mr. Eaton:** The point that I wanted to bring up with you, Mr. Minister, was in regard to the contacts being made in international markets with companies. With respect to the companies that you are setting up contacts with, does any of your staff do any research into their financial stability for our people who are going to be selling products to them, who are taking orders with them and so on? Do we have people on the staff who are doing this type of research to supply this information to our sales people?

**Mr. Fowler:** Yes. When we are selecting people to go on missions, the first thing we try to determine is whether they are really serious about exporting. Secondly, we want to satisfy ourselves that they do have the production capabilities to cope with any orders they may get. Thirdly, we also want to make sure that they are able to handle the extra financial stress that may be placed upon them in any export orders, that they may get. Once that is determined, we then check either with our office abroad or the trade commissioner's office to see if their product would have an opportunity in that particular marketplace. If all of these things are in place, of course, this man is taken on the mission. We do check their financial resources.

**Mr. Eaton:** You are talking about checking on the financial ability of the people here. I'm talking about checking on the people they are going to sell to, the people you are putting them in touch with in other countries and so on.

**Mr. Fowler:** The appointments for the people on the other side are usually set up either by our offices abroad or those of the trade commissioner. They are companies

which are well known to our offices or the federal offices and are financially capable as far as we can determine. We do, however, always tell the people that the onus is really on them to ensure that they are going to get their payment all right. Usually it is done through a letter of credit or through a confirming house.

**Mr. Eaton:** Through the federal government there is a programme which guarantees payment to some of our people selling abroad. Do we have any close contact or connection with that?

**Mr. Fowler:** Yes, we work very closely with the Export Development Corp. This is usually on larger capital projects. They usually get involved only when it is a transaction over \$1 million.

**Mr. Eaton:** We also supply some credit for people who are making sales abroad, export sales, do we not? To what extent does that help our people; what amount can they get up to?

**Mr. Fowler:** This is under the Ontario Development Corp., the EODC and the NODC, which I think will be covered a little later, sir.

**Mr. Eaton:** Okay.

**Mr. Wildman:** Yesterday, in discussion in relation to the previous speaker, we were discussing trade missions and financial aid for companies exporting to foreign countries. I was wondering if you have attempted not only to give financial aid but to make information such as marketing studies available to companies. Also, are you in the position of helping them to market—that is, have you any agency which acts as a sort of marketing board for small businesses which are trying to export?

**Mr. Fowler:** Through our trade research branch we do market studies on the countries where we are going to take a trade mission. Our research branch has market studies now, I think, on something like 67 different countries. This supplies them with information as to what that country is presently importing and where it is importing it from which will

give our fellow an idea as to his possibility of doing business in that country.

Our fellows do act as consultants. In our international branch, we are organized on a geographic basis and each man is responsible for a certain area of the world. Most of the people we have working for us have an intimate knowledge of that part of the world, having worked there. For instance, our man looking after Singapore, Hong Kong and that area, worked for a trading company out there for many years so he can advise our people on how to do business in that part of the world, knowing that it is different from what it may possibly be in the United States or Canada.

**Mr. Wildman:** You don't have any specific marketing done by your ministry or an agency of your ministry for small businesses which may not have the kind of resources—

**Mr. Fowler:** To actually do the sales for him, you mean?

**Mr. Wildman:** Yes.

**Mr. Fowler:** No. We feel it is really up to the company to actually finalize the sale itself through our offices or the federal government. We will put them in touch with potential buyers; we will help them and explain to them about packaging, documentation, anything related to exports, but the actual sales themselves are up to them. Or they may use a trading house of which, we know, there are hundreds in Canada and in Ontario. We recommend this for the smaller company where it may not be economical for it to go to that marketplace on its own and follow up. [11:15]

**Mr. Grossman:** I wanted to pursue the question referred to yesterday by the member for Scarborough Centre (Mr. Drea) and that was what steps is the department taking in regard to the Taiwan market?

**Mr. Fowler:** We are aware of the Taiwan market. As you know, the government of Canada decided to recognize the People's Republic of China. We have no Taiwan ambassador here or office. We have had discussions with them here through their Washington office. We have had buyers over here from Taiwan. We have not sent organized missions to Taiwan. We feel that if we did we may upset our good relations with the People's Republic of China. We try to assist companies. When I say assist them, it is by giving them advice as to how they can sell in that market and what opportunities there are. Many of them, of course, are going over

on their own, but we have stayed away from having any organized missions into Taiwan itself.

**Mr. Grossman:** Unless the federal government has, in fact, indicated a very strong preference, indeed almost ordered us not to get involved with Taiwan, which I would object to, may I suggest to the minister that I don't think we should let the recognition of our friends from Red China—

**Mr. Samis:** China.

**Mr. Grossman:** China—fair enough—hamper our relationships with another very legitimate market in Taiwan, and that if it is so laid out by the People's Republic of China that a term of trading with them or dealing with them, as far as your department is concerned and as far as some of the industrialists in this province are concerned, is that no trade occur with Taiwan or no new incentives be entered into with regard to Taiwan, then I would like to know if that is the case and if the department has decided that it will back off dealing with Taiwan because of those restrictions.

**Mr. Fowler:** No. The federal government has not given us any orders not to encourage businessmen to try to do business there. They have indicated that they would prefer that we did not have government-sponsored missions into the area. As I say, we have had buyers coming in from Taiwan and if we felt that it wasn't going to upset our relations with the People's Republic of China we might very well go ahead and plan a mission there. I am not sure whether the federal government would step in and say, "Look, you must not have a mission there." We haven't really confronted them on it as yet.

**Mr. Grossman:** May I suggest to the minister, then, that perhaps the department pursue this a little further until we find out whether it is, in fact, disastrous for us to do this with regard to our relationship with China and, even if it is, perhaps we should still review our policy with regard to Taiwan and very strongly urge that we do go into that market.

**Hon. Mr. Bennett:** I would just say to the member for St. Andrew-St. Patrick (Mr. Grossman) that we are not in the position, he will recognize, of government dealing with government. That is not the functioning of my ministry at all. The function of the ministry is trying to arrange for business people to go out into the various parts of the world and do business. That quite often becomes a complication. I did mention yesterday that



the minister's going on some of the trade missions does open up doors to industries that are controlled in certain countries by government. But basically our missions are businessmen to businessmen and not government to government.

We will pursue it. We are not in the business of trying to create any violent differences of opinion or position between the federal and provincial governments. As I said yesterday, and I repeat it again, if we are to have successful trade programmes from Ontario in world markets it will not be successful entirely by our own efforts but by that of ours along with the federal government. We will pursue it and see what the outcome might be.

**Mr. Williams:** Mr. Chairman, could we have some elaboration on the extent of financial involvement by the ministry in the international exhibitions that are undertaken by the government? Are the expenditures built around the organizing programme or is there some additional financial involvement in assisting the private corporations that are going to participate in the exhibitions to take their exhibits or whatever to the exhibitions in question?

**Mr. Fowler:** Yes, our involvement in international trade fairs is very limited because the federal government is very much involved in this side. We usually sit down with the federal government and determine what trade fairs it is going into. If we find there are some trade fairs that it is not going into and we feel they would be advantageous for Ontario companies, then we book space in the trade fair for which we, the government, pay. We build and pay for the display. We usually organize eight or 10 Ontario companies to participate. We charge them a very nominal fee for the space they use. We get their products to the fair; we pay up to a certain tonnage but we do not pay to have them returned. In other words, we hope they will sell the samples or whatever over there so they won't come back again. If we have this in conjunction with a mission, then we would pay the return economy fare.

For some fairs, however, if the manufacturer is established with an agent over there but he really hasn't got his product going on the marketplace—and we do go into some shows specifically for that purpose, particularly in the United Kingdom; since they have an agent over there, of course, there won't be any fairs involved—in terms of getting the product to the fair and putting up the display, we do pick up the expenses on that side.

**Mr. Williams:** Is the space you would rent at a particular exhibition site set up on an umbrella principle whereby it's in the name of the Province of Ontario and space therein is allocated, as you say, to six or eight private companies to display their wares under the heading of business from the province of Ontario.

**Mr. Fowler:** That's right. Our heading on the overall booth usually is "Canada Products" so that we don't confuse people in the international marketplace about the various provinces. We do put "Government of Ontario" on there and the trillium coat of arms. Canadian products are what we're really trying to sell, so we don't confuse them. In addition, each participating manufacturer would have his own sign up in his particular area.

**Mr. Williams:** If it wasn't tied in with the trade mission, they pay their own way there but you ship their display material?

**Mr. Fowler:** Right.

**Mr. Williams:** But if it's tied in with the trade mission, they also get the economy fare paid for and the rest of it is at their expense?

**Mr. Fowler:** Right.

**Mr. Williams:** How much money was made available for this purpose last year and what is the budget for it this year?

**Mr. Fowler:** In 1974-1975 we spent \$69,000 on trade fairs. We had 56 companies participating in six exhibitions. They reported sales of \$1,818,200.

**Mr. Williams:** What is budgeted for this year?

**Mr. Fowler:** It is \$70,000, about the same. We didn't spend the complete budget; I gave you the actual expenditure in 1974-1975.

**Mr. Chairman:** Item 3 carried? Carried.

Vote 2003 agreed to.

On vote 2004:

**Mr. Chairman:** Tourism development programme.

**Hon. Mr. Bennett:** I would ask Mr. Boyer, the executive director, to join us.

**Mr. Chairman:** Again, we will take vote 2004, item by item; so we will begin with item 1. Any questions on item 1?

**Mr. Samis:** Yes. I would like to ask the minister about statements he made in Belle-



ville at the mini-cabinet meeting on Feb. 19. You said that the Ontario cabinet had approved a study to assess about four sites in eastern Ontario for a major new attraction on the scale of Ontario Place, and you said they would choose one in the next few months. That was said in February, and could I ask what has happened to that study?

**Hon. Mr. Bennett:** Yes, we have gone through the various areas—and not only the ones that our people from their studies thought could be good for a major tourist area. Indeed, there were a multitude of other people in eastern Ontario who sent letters to the ministry or sent agents to the ministry asking that we assess their property as to viability for that type of project. We carried those out as well. We are now down to three sites and we have some further evaluations taking place on the sites as to costing, ground conditions and so on. Once we have some of that information we can come to a final determination as to which area in eastern Ontario would produce for us what we believe to be an adequate location.

**Mr. Samis:** Would it be fair to say that you are adhering to the original concept for an equivalent of Ontario Place?

**Hon. Mr. Bennett:** No, I never used the word "equivalent". I don't take the responsibility entirely for the press and what they say.

**Mr. Samis:** No, I realize that.

**Hon. Mr. Bennett:** I said that it would be—

**Mr. Samis:** On the scale of.

**Hon. Mr. Bennett:** No, they used "on the scale of". I said very clearly when the question was asked about Ontario Place that it was not an Ontario Place. I wasn't getting tied in with any comments that people had made about an Ontario Place in the north. We need one Ontario Place, but what we need is something different in other locations of our province. Clearly, it is an all-seasons tourist resort or complex area where conventions can be held, together with various other attractions. It was not to be anything along the lines of Ontario Place.

**Mr. Samis:** You are still adhere to the idea of an overall sports convention centre?

**Hon. Mr. Bennett:** Yes.

**Mr. Samis:** That's the basic idea that you are following through on?

**Hon. Mr. Bennett:** That's correct. That is the theme. Once we determine its location,

it's not a programme that is going to be completed in 12 months or 24 months. It is something that is going to take a period of time. I would hope that we would also see the private sector involved in it.

**Mr. Samis:** Yes. I assume that from your speech.

May I ask what you are doing in the St. Lawrence valley—beyond the feasibility study at Upper Canada Village to improve facilities there—to stimulate tourism in the Seaway Valley area? What is the main thrust of your policy in that particular area?

**Hon. Mr. Bennett:** Promotion. But when you talk about thrust, are you talking about capital investment?

**Mr. Samis:** Not necessarily.

**Hon. Mr. Bennett:** Basically, the thrust is the same as it is in other parts of the province in the promotion field—trying to relate the markets we have in eastern Ontario to the markets that are most receptive to that message and where we can likely draw the greatest number of tourists.

As I indicated the other day to the member for Fort William (Mr. Angus), we relate Thunder Bay to the midwest United States, because that area likely has the greatest potential for us. In the area of eastern Ontario, we have a study now under way as to how we can best promote old Highway 17 as a Heritage Highway or voyageur route for tourism purposes.

I might mention that Upper Canada Village has the potential for a major marina—

**Mr. Samis:** Yes, that was what I was going to say.

**Hon. Mr. Bennett:** —which we think is of prime importance. If there is one tourism aspect we lack in this province—and I shouldn't only isolate this province—but I suppose on the Canadian side of the St. Lawrence, it is satisfactory marina facilities. These facilities are lacking not only for those people coming across the border from the United States but, indeed, those in Canada who wish to ply the waters of Ontario.

**Mr. Samis:** What's the status of that project?

**Hon. Mr. Bennett:** My position at the moment is to secure from Management Board the right to proceed with the Minister of Natural Resources (Mr. Bernier) and the Upper Canada Village board to try to

see whether the site they have there is satisfactory for the type of marina that we are discussing. It might not be; we might have to move to some other location where river conditions and bank conditions are much more practical.

[11:30]

**Mr. Eakins:** I think there are other areas of the province that need a little stimulus. Just as Toronto has its Ontario Place, there are other areas in need of a little shot also. I'm thinking particularly of the Haliburton area, which lends itself to, say, fish and wildlife. This would involve co-operation with Natural Resources.

Do you get together with them from time to time in your ministry and say: "We need to promote more tourism"; or "This area needs a little incentive" and involve another department? Do you get together with Natural Resources and others and work to strengthen certain areas of the province?

**Hon. Mr. Bennett:** We meet with Natural Resources on a continuing basis to discuss the tourist potential and the use of some Crown lands in the advancement or promotion of the tourist activity. We constantly meet to try and find what we think are some of the things we need from Natural Resources to support our endeavours.

**Mr. Samis:** One final question: What is your ministry planning for this year vis-à-vis the Olympics? I am sorry this was brought up yesterday I understand.

**Hon. Mr. Bennett:** We were discussing it yesterday. It came up more in the field of international trade and opportunity in getting international industrialists to look at Canada.

**Mr. Eakins:** I have a supplementary which I think would be important. I don't want to take over the question; it's just that—

**Mr. Samis:** I haven't finished.

**Mr. Eakins:** I'm sorry, I thought you had.

**Mr. Samis:** I'd just like to know what the ministry's plans are for exploiting the tourist potential of the Olympics, especially for eastern Ontario.

**Hon. Mr. Bennett:** We have been doing this now for the last period of time in our foreign advertising and so on, relating Ontario to the Olympics and travels to the Olympics, whether it be the United States

or England, Germany, France or Japan, which are the principal markets we've been looking at.

In other words, we have been using the Olympics as part of the tool of bringing people into the Province of Ontario. How do we exploit them here? Obviously we will have our tourist officers and various other programmes, indeed with the travel association in eastern Ontario working closely with the Olympic people, as they have been over the last two years in the boating regatta operation, in trying to expand the number of people who come to see the event and to try to lure those who have been here for the preliminaries for the last two years to increase their delegations when they return for the real thing this year.

Perhaps Mr. Boyer, who is the executive director, can elaborate more on some of the other programmes.

**Mr. Boyer:** I just wanted to say that we will have special travel counselling facilities in Kingston, at Old Fort Henry, at our information centre on Hill Island. The Eastern Ontario Travel Association, using our old building at Lansdowne, will also do travel counselling. Our principal interest will be to get the visitors to the Kingston Olympics to travel farther and stay longer in the province. Mr. McDermid just spoke to me to say that a group from Quebec tourism proposed to meet with us on Monday to discuss ways and means of co-operating, and I'm sure the aim is the same in both cases, to get Olympic visitors to stay longer and see more.

**Mr. Samis:** Could I just ask what you are doing in Ontario itself to inform the rest of the population that part of the Olympics will be taking place in eastern Ontario?

**Mr. Boyer:** I have already described the special travel counselling facilities. We will also use newspaper and radio advertising to promote the Olympics. We have already co-operated with the city of Kingston and two other agencies, the St. Lawrence Parks Commission and the Eastern Ontario Travel Association, to produce a folder, which already exists and was used this year.

**Mr. Norton:** Perhaps my question would be better put under item 2. I'll withhold it until we have voted on the first one.

**Mr. Spence:** I would like to ask the minister if the Heritage Highways programme has been a success?

**Hon. Mr. Bennett:** First of all, Mr. Spence, you will recognize that the Heritage High-



way programme has only been in existence a relatively short period of time. It's only been in the last 12 to 18 months, I think, that we've had a general agreement on the signing programme—a general agreement between, basically, Ontario and Quebec. We had a difference of opinion on how the signs should appear and what type of verbiage should be on them, if any.

**Mr. Haggerty:** It's a big wheel.

**Hon. Mr. Bennett:** That's right, it's a big wheel; I have to agree with you. The signing is up now; it will be completed sometime in the next year.

We do know that the volume of traffic appears to be heavier, from the counts we have had from some of the operators. At this moment, we do not have an actual statistical record of the change in movement. We would hope that once the signing is completed and the programme has been properly advertised, we will be able to take some statistical information to see the effectiveness.

We do know from tourist operators and communities that their interest in this type of programme is very high. There are more and more communities asking us to include what were once principal roads—which are now secondary roads or whatever they might be—in some type of programme which will connect them with other parts of Ontario and other parts of Canada. As you know, the Heritage Highway really starts in the Gaspé and comes all the way up through to Niagara Falls.

**Mr. Eakins:** Mr. Minister, your department sponsored the booklet *Travellers' Encyclopaedia of Ontario*. Was that published mainly to promote the Heritage Highway or certain highways? It seems to me that in the first edition there were very important areas of the province—such as Haliburton; I'm sure you're aware of that by now—which were left out completely. It was just a blank. Was it to promote certain areas of a region? In the second edition which came out, the name, say, of Haliburton—and that's a tremendous tourist area of Ontario—just had a dot but it didn't show any roads to show it was important to go up there. I wonder why that is.

**Hon. Mr. Bennett:** Let me first of all apologize to some of the communities. There were two or three which obviously were omitted in the first publication of the encyclopaedia. I suppose when you start out on a new venture such as this, which in-

cludes 110 pages or thereabouts, and you try to take into account all the activities which take place across the Province of Ontario in each of the communities, you're bound to miss two or three here and there.

How we missed Haliburton—even I did, reading through the book, and I'm not the proof-reader, I'd have to recognize that; but Haliburton was missed. There was a reprint carried out in which Haliburton was then included.

The book is really to promote as many varied affairs and events across the province as possible. It wasn't to try to zero in on Haliburton, Ottawa, Toronto, London, Windsor, North Bay or Thunder Bay. It was basically to try to say to people that here in eastern Ontario are the events and the places you can see and go to. If you're in northern or northwestern Ontario, here are the events and places and so on.

It was a general publication and it's usually sent out with a copy of the provincial road map for the Province of Ontario. In other words there are two pieces which are mailed at the time when requested. If you were writing to this ministry, the encyclopaedia would go and it would go with the road map.

**Mr. Eakins:** It is such a large area there and it seemed there was no reference to any travel to the area, even in the second edition. This is why I wondered if the promotion of the book was mainly for certain parts of the province. That's a large area in the north.

**Hon. Mr. Bennett:** No. I can assure you that this book is now being analyzed again. There are other events which were omitted. I apologize to the Shelbourne fiddle contest, for example, which was omitted from the book. It's embarrassing, because a year ago I had the opportunity of opening the Shelburne fiddle contest and a year thereafter it's omitted from the ministry's publication. But we'll go through it and if the others here have been reading through the book and find there is something which should be present but is not, if they will drop us a note or get in touch with Mr. Boyer, I'm sure he'd be pleased to correct it. Yes, sir?

**Mr. Boyer:** When the omission of Haliburton was noted, as you can imagine we had a number of calls particularly from the very aggressive Chamber of Commerce in Minden. I had one call of a personal nature from one of the major resort operators in Haliburton, who said: "Fred, you should be



ashamed of yourself. You have a son who lives here; you visit here six times a year and you forgot Haliburton."

**Mr. Eakins:** I noticed it first when I went to the Chamber of Commerce in Lindsay to send the book to some people in Denmark and I was leafing through it. It seemed a very large area north of Fenelon Falls to the tip of Algonquin Park, to have just a blank outline and not even a mention. There are thousands of tourists go into this area, as you know, throughout the year.

**Mr. Boyer:** It was an out-and-out mistake,

**Mr. Eakins:** Thank you.

**Mr. B. Newman:** There are two issues I wanted to raise on this vote. One is concerning the advertisements you placed about the Heritage Highways. It is kind of strange that in that advertisement you leave off one of the major gateways into the tourist industry in Ontario.

**Mr. Haggerty:** That's near to Fort Erie. Don't steal my punch line.

**Mr. B. Newman:** You just mentioned the second most important. I am mentioning the city of Windsor and the Essex county area. You know that you were taken over the coals by editorials in the Windsor paper as a result.

**Hon. Mr. Bennett:** That's nothing new. If I might just interrupt, I am taken over the coals on many things in tourism.

**Mr. B. Newman:** If you are taken over the coals it is because of indiscriminate—

**Hon. Mr. Bennett:** We haven't spent any money on tourism in Windsor, I realize—only the millions we have put into Windsor.

**Mr. B. Newman:** The major source of entry of tourists into the Province of Ontario is the Windsor entry and/or the Sarnia entry, which combined are probably far more than any other port of entry. When you find that Windsor itself is within an eight-hour drive of about 40,000,000 people that you can appeal to, you can see that in your publication "Heritage Highways" you should have continued that advertisement to inform the people that it starts at Windsor and does not go from Niagara Falls solely to the Gaspé.

**Mr. Boyer:** Yes, you are quite right, Mr. Newman. Heritage Highways is signed, I believe, from Highway 3 in the Windsor area.

**Mr. Mancini:** You can't travel the highway anyway. It is too rough.

**Mr. Boyer:** In this particular year, Quebec tourism's agency did the advertising programme. I think Ontario would have caught the omission.

**Hon. Mr. Bennett:** I think Mr. Boyer should explain as to how the publication comes about on the alternate years.

**Mr. Boyer:** Yes. Some of you may know that Heritage Highways is a seven- or eight-year-old programme. It is a joint programme with the Province of Quebec and in recent years we've had federal participation in the promotion of the programme. There is a publication in the two languages called "Heritage Highways." There is each year an advertising programme. The production of the advertising and the production of the publication move in alternate years from one province to the other. This year approaching it will be Ontario's turn.

I wanted to say something further on highway signing, Mr. Newman. We have now signed Heritage Highways from Windsor to the Gaspé. We have made a beginning on signing what we are terming the route of the voyageurs from Hawkesbury eventually to Kenora. Our next priority is to sign the Bluewater Highway from Windsor around Lake St. Clair and Sarnia north to Tobermory.

**Mr. B. Newman:** What you are doing there I commend you for, but why the slip in the previous publications in spite of the fact that you may say: "Well, it was a joint publication"? Are you interested in Ontario or do you think Ontario stops at Niagara Falls?

**Mr. Boyer:** No, sir. I believe the publication contains considerable editorial comment on Windsor and area. I think you are referring to a newspaper supplement advertisement.

**Mr. B. Newman:** That's one of the things I'm referring to, yes. So you see, Mr. Minister, when you were taken over the coals, you were taken rightly over the coals. Probably there are other transgressions that you and your ministry may commit that we overlook, but we don't want to overlook everything.

**Hon. Mr. Bennett:** Not too many.

**Mr. B. Newman:** The next thing I wanted to make mention of had been mentioned as I walked in. It concerns the Olympic Games. I am probably one of the few people in here that have actually been involved in Olympic competition in the past. I know the tre-

mendous promotional endeavours that should be put forth on the part of the province to really sell the idea of going through Ontario to visit the games in Montreal. I think you should go all out, naturally as far as budgetary commitments permit, to tap that heavy market in the midwest that is really within a 12-hour drive of Montreal—going through Windsor by the way—and I would recommend to you, Mr. Minister, that you don't hesitate to use midwest newspapers in your advertisements.

I notice that the hotel industry in Toronto uses Detroit papers very effectively selling weekend trips into the Toronto area. They seem to be extremely popular because most of the tour agencies in Detroit handle these and they wouldn't handle them if there wasn't the demand for that type of a tour. Did you want to reply, Mr. Minister?

**Hon. Mr. Bennett:** I was going to respond in this respect; 1967 was a great teacher, not only for the Province of Ontario but for others, in respect of Expo. In 1966, this province had about 52 per cent—now we are talking percentage, not numbers of people, I am going to just talk percentages for a moment—52 per cent of all the visitors from the United States coming into Canada entered into Ontario as their principal place of vacation or travel.

In 1967 a remarkable change took place. While the numbers of people were still up, the percentage of the overall market coming to this province dropped to 46 per cent. It was obviously as a result of the heavy advertising programme that was implemented by Expo and the federal government and so on for that event.

The lesson that we have been able to learn is that if we are to maintain a creditable percentage position in 1976 we have to start our advertising programme related to the Olympics prior to the year of its commencement. We have been at that since I have been minister, plugging away at the markets that are available to us, markets that would relate to people going to the Olympics, to persuade people that their vacation should be in Ontario and then go down into Montreal for their Olympic events; or the reverse, if they are going to the Olympic events, to come through Ontario on their way back.

As a result of the heavy advertising programme—and I think we have had a tremendous response to it—and while it could be criticized that maybe we put too much emphasis on this, that or the other thing—and that is always open for debate—the fact is that in 1974 our market percentage as a

result of the programme rose to 56 per cent. We believe that with the further application of our efforts into the midwest publications and so on that you are speaking of, we will, from the records we have and the inquiries we have received and the statistical information we have been able to gather, get a very heavy participation by those wishing to attend the Olympics.

Economics change, gasoline prices change, and these things have had some detrimental effect on the attitude of people and their reason for driving. We have realized this for the past two years. We have had to change some of our advertising programmes to try and persuade people that in the light of shortages of petroleum, in the light of the high prices of petroleum and so on, the fly-and-drive programme has become much more widely used, and so we are spending time on that market as well.

In other words, we have to safeguard ourselves against some things that could develop in the area of petroleum, as I have already mentioned.

**Mr. B. Newman:** That is well, but I also wanted to make mention to you that the price of gasoline in Ontario is just as cheap if not cheaper than it is in the US now, so the price of gas at one time being much more expensive may have been a drawback, but it wasn't a drawback, so I don't see it being the same drawback that it could have been.

**Hon. Mr. Bennett:** It wasn't so much just the price. I don't know how much time you have spent down through some parts of the United States recently. People's fear of the petroleum shortage and the concern to try to conserve petroleum has become much more apparent than it ever was before, and we, as Canadians, have a couple of other jobs to do, not only in my ministry but all Canadians. For instance, the size of our gallon versus the American—some people still haven't been able to appreciate the difference. I am told by some people that now that the metric system is coming in we are having some difficulty in getting some of our friends below the border to understand the difference in temperatures and how it relates to theirs.

**Mr. Angus:** Below the border? We are having difficulty understanding it in Ontario ourselves.

**Hon. Mr. Bennett:** Here at least the news fellow helps me out by translating it for me.

**Mr. B. Newman:** There are two other items I wanted to raise. Continuing with what we were talking about, the new vehicles that are



on the market that advertise up to 45 miles per gallon should overcome some of the price that one pays for gas. So we should be looking forward to getting more of the people that are buying and using the smaller sized vehicle.

The thing I also wanted to bring to your attention is advertising in US papers concerning one-day trips and weekend trips. I can recall seeing in both the Detroit News and the Detroit Free Press for years where they recommended these types of trips for Americans coming into Canada. That's all well and good. As long as they will do that, I would say that your ministry doesn't have to spend any public funds for promotion in that fashion. But I think they have let up on that in the last couple of years and I think you are going to have to look into that again by suggesting, say in the Niagara Falls area or south of Niagara Falls below or within 100 miles of Buffalo, why not come into Ontario and take that tour around Toronto, Hamilton and so forth and back home.

It's the same thing as I would say in the Windsor area. You can come in from Detroit or some place close to Detroit, in through Windsor around to Sarnia and then back home as a one-day trip. As a two- and a three-day trip you can include maybe the Stratford Festival that the chairman of this committee has promoted for so many years, and very effectively.

**Mr. Boyer:** Mr. Newman, the cost of gasoline in the past two years in our opinion has been more a psychological hindrance than a real one. However, as we on both sides of the border get closer to paying a dollar a gallon, it will be a factor during a recession with less disposable income. We are promoting the mass modes of transit more than we have previously.

With regard to weekend trips, that's an interesting observation, because that's one of the new trends in tourism, not necessarily cutting down on vacations but making them shorter vacations. If you'll examine this book, you'll find that in each part of the province we recommend one-day itineraries, three-day itineraries and that kind of thing. In newspaper advertising next year we will be promoting appropriate events.

For instance, in northern New York State we might promote the sugaring off at Upper Canada Village. In the Buffalo area we might promote the St. Catharines Grape Festival. In Ontario this year we used radio for the first time in a substantial way, drawing particular attention to what's going on this weekend,

inviting people to go to the Elmira's Maple Sugar Festival, for example. We propose in 1976 to extend that kind of immediate radio campaign featuring, for instance, in the Detroit area, Windsor night clubs, making it local.

**Mr. B. Newman:** I could even bring to your attention the bird migration in Kingsville at the Jack Minor bird sanctuary. I can't recall seeing or hearing anything concerning that emanating from either the Windsor or Detroit stations in an attempt to—

**Mr. Mancini:** Yes, but that is in Essex county.

**Mr. B. Newman:** I would strongly suggest that there are other festivals of exactly the same type that take place in other areas. I am familiar with my own county, and that is why I raise that.

The other thing I want to raise is the development of other tourist attractions. It is all right if we bring people into the area for one day, but generally they come with a tankful of gas and go out with some gas still in the tank, all they may have spent is a very minor amount of money on some incidentals, because quite often they even come with their own lunches.

I am thinking of other tourist attractions that could make a sort of little package. In the Detroit area you have got the Greenfield Village and the Ford Museum, which are tremendous tourist attractions; but, the Americans who go there don't have the same reason to come into Canada. I don't mean that we can match that, but we have developed the Upper Canada Village at the extreme eastern end of the St. Lawrence Seaway; have you considered developing something in the other end, the Essex county end? I refer to something such as Prof. Greenwood recommended in the study he made about 10 or 12 years ago for a seignior or some other type of tourist attraction. In that way we could complement the Upper Canada Village so that an individual could start at one end of the Great Lakes and just follow the Great Lakes to the tourist attraction in the Windsor area and take in what he would like to. He could go to the Detroit area, up the Bluewater Highway to Sarnia and into Tobermory; or, if not Tobermory, to the tourist attraction at Huronia. These are my thoughts.

You haven't done anything, to the best of my knowledge, as far as the development of something in the extreme southwestern end of the province is concerned. What are your plans for it?



**Mr. Boyer:** I am familiar with the seigniori proposal and I have discussed another rather interesting potential development for Windsor; that is, a museum commemorating the bootleg days in the United States. I was told the difficulty with that proposal is that there are still too many people living who might be hurt by it.

**Mr. Haggerty:** Surely not that.

**Mr. Boyer:** More specifically, the development we are studying for southwestern Ontario is the interesting of private entrepreneurs in better marina development all the way from Windsor up to Tobermory and Manitoulin, because there are great gaps on that Lake Huron coast. The marinas that do exist are often minimum-service marinas. We consider that to be some of the greatest cruising water in the world, and we know that there is great demand for it in Detroit and Chicago. That's one area we are studying at this time.

**Mr. B. Newman:** I don't disagree with that. The only thing is you are catering to the nautically minded individual. I am thinking of the many millions of people who will never be on a boat or own a boat but probably would still like to see some of the history. Other than the Walker House and Fort Malden History Museum in Essex county, I don't know of anything else that either level of government has attempted to develop. We should have something.

**Mr. Boyer:** For instance, at Amherstburg I think we have—

**Mr. B. Newman:** That's the Fort Malden museum.

**Mr. Boyer:** Yes, but I am thinking of the town of Amherstburg; to preserve one of the oldest communities in Ontario would be a worthwhile venture. We do have studies on the possibility of an agricultural museum in the Baldoon area. You may be familiar with that.

[12:00]

**Mr. B. Newman:** I commend you for that, but that is still not in the Essex county area; that still doesn't complement what you have right across the river in the Ford Museum and Greenfield Village. I know you gentlemen have all been to visit both of those places. If you haven't, you've probably missed the second or the third most important tourist attraction in North America.

I would strongly suggest to you, as I have to the best of my recollection for many a

moon now in this House, the development of something which would complement and supplement what you have at Huronia, Upper Canada Village and along the Great Lakes. Don't hesitate to start planning for it today because you're going to have to do it. With more and more leisure time available to the individual, he is going to be interested in seeing something other than his backyard. Let's try to provide something in the Essex county area which can encourage not only our American friends but our Ontario residents to see some of the heritage of various parts of the province, including Essex county.

**Mr. Boyer:** Mr. Newman, I can't be more specific than I have been except to say to you that it is ministry policy to give higher priority to the development side of tourism than to the promotional side. As you know, historically, we've been promoters rather than builders. We're trying to get that into a better balance.

**Mr. B. Newman:** Who developed Upper Canada Village? Was it not the Ministry of Tourism back years ago?

**Mr. Boyer:** No, sir, it was the Department of Trade and Development.

**Mr. B. Newman:** That's Industry here; you have inherited Trade and Development.

**Mr. Haggerty:** That was the godfather.

**Mr. Boyer:** When it was completed it became part of the old Department of Tourism and Information.

**Mr. Williams:** It was a joint venture, wasn't it? Between the government of Canada and the province?

**Mr. Boyer:** No, sir, it was entirely provincial.

**Mr. Williams:** It was entirely? I thought it was—

**Mr. Boyer:** It came about, of course, because of the Seaway flooding.

**Mr. Williams:** I thought the government of Canada had participated.

**Mr. Boyer:** No, sir. We find great difficulty in getting the government of Canada to help us in tourist development. You may know that at Niagara-on-the-Lake, Fort George was operated by the province and leased from the federal government at \$1 a year. We gave up that lease based on their promise to restore it, rebuild it, animate it, put live costumed troops into it. Nothing has happened.

**Mr. B. Newman:** You see that—

**Mr. Williams:** I think that they are there today.

**Mr. Haggerty:** It's carried out by the Niagara Parks Commission.

**Mr. Chairman:** Order, please. Mr. Newman has the floor.

**Mr. B. Newman:** You are developing an attraction in the Thunder Bay area and it's Industry and Tourism which is developing that.

**Mr. Boyer:** No, sir. It began with Tourism and Information; then it went to Natural Resources and now it has gone to Culture and Recreation. We work very closely with them.

**Mr. B. Newman:** All right, then, would you mind working very closely with Culture and Recreation at this time—

**Mr. Boyer:** In Essex county?

**Mr. B. Newman:** —so that you could—the minister especially—whisper into the ear of his colleague, the hon. Robert Welch, who visited the Windsor area three times during the election to no avail—

**Mr. Samis:** Did you get your goodies, Bernie?

**Mr. B. Newman:** —and spend a little of that time thinking of the development of some tourist attractions there? The Greenwood study, if I am not mistaken, was partially financed by this government.

Why have a study if you have no intention whatsoever of doing something with the study? Surely the intent of these studies isn't to employ people, to make job projects? Let's promote industry and we can promote it well by the development of tourist attractions throughout the province. Essex county is one area that does deserve a little more attention.

**Mr. Chairman:** I would like to suggest to the committee that we're on item 1 and it's been a very far-reaching discussion. If we could carry item 1, I think we could go on to items 2 and 3.

I just wondered if there were more speakers on item 1? I would ask you to keep it to item 1, and then we will go on. I think we'll have to combine items 2 and 3, because they're so closely connected.

**Mr. Norton:** Mr. Chairman, if I may, if we're going to be so wide-ranging on item 1,

I would just like to transfer my questions then to item 2. I think Mr. Newman, in his very persuasive presentation, transposes eastern Ontario's major industry to Essex county.

**Mr. Eakins:** One of eastern Ontario's major industries.

**Mr. Norton:** I beg your pardon? One? I would say perhaps it's a major one.

**Mr. Chairman:** I have a few more names. Do they wish to speak to item 1?

**Mr. Eakins:** My question might come under either category; it's just for clarification. How does the ministry decide the division of responsibility, say, between private enterprise and the ministry's responsibilities in tourism? We've talked about whether it's private enterprise initiative or whether it's initiative from the government. How do you reason the division of responsibility?

**Mr. Boyer:** Mr. Eakins, that's a very difficult question to answer. I think the simplistic answer is that in tourist development, if we can get private entrepreneurial funds, we will gratefully accept them. On the promotional side of tourism, we often work with private enterprise, in co-operation with them, for shared objectives. Most of the major tourist attractions of the province are entirely provincially-financed. Near your own part of the province, Mount Madawaska has many partners, public and private. I don't think there's a blanket answer, sir.

**Mr. Eakins:** No, I can appreciate that. I was just wondering if you could just define it. I know it's a two-way street.

**Mr. Haggerty:** I want to pursue the matter of the publications the ministry is putting out. I do have a complaint. They are excellent brochures, but the problem is obtaining them. I find it rather difficult to get them through the staff in your ministry. For example, there was a Port Colborne hockey team that made a trip to Sweden last December. I did, through some heavy persuasion, obtain one of your ministry's publications. I believe it was the travel agent's manual of Ontario, which is an excellent publication. We took about 100 copies of them over to Sweden. This was cheap advertising for the Province of Ontario—but why the difficulty in obtaining them?

As another example, there were other Port Colborne teams which went to Mexico City for an international soccer tournament. These were all juvenile or pee-wee teams. At that time I had difficulty in obtaining brochures or



publications to promote the Province of Ontario. Now this is a cheap way to promote the Province of Ontario. If you had to send a delegation over to Sweden or to Mexico City, you're talking of a cost to the province of maybe \$50,000 or \$60,000. This way it is costing you peanuts. I don't know what it costs to publish the material, but the point is, why is it so difficult to obtain it?

**Hon. Mr. Bennett:** Let me just talk about the first publication that you mentioned, the publication for travel agents. This publication is a very specific one for a very specific part of this industry. It is a publication to the travel agents in Europe, Japan, and various other places, so that they can sell travel to Ontario. In other words, it's not the type of publication that I would send to somebody if he was interested in knowing Ontario. There are other brochures within the industry. I think of the gold lure book, as we call it, and the camping one, the hiking one, the boating one and so on. We do try to control the literature. It's expensive. The volumes that are left at times by some groups which want them never get disbursed. Suddenly, some day you find that you have 1,000 copies sitting on a shelf which had never got into the marketplace.

I've said to members both by letter and so forth that if there are some items within government that they require for hockey teams or schools going out of North America, we're prepared to provide them with a reasonable amount of what is good promotional literature. The travel agent's book is not a good promotional piece in that respect. It would be, if I was talking to all travel agents. I'm a little surprised this morning at what you say because I've had members of your party and members of the NDP and members of our own party who have come to me on various occasions for the type of thing that you have on your lapel, the buttons, because they had a group going to XYZ country and they wanted some type of literature. I will admit to you that when they come in and say: "I want \$500," I have to be realistic in evaluating what the \$500 is worth and whether it is going to get disbursed as well or as properly as it should.

**Mr. Haggerty:** This team that went to Sweden, I think, travelled to about 12 different cities over there. When they came back their picture was in the local newspaper. You could see the publication which the youngsters were holding in their hands out in the centre of the ice. There must have about 18 of them there. Where else can you

get cheaper advertising for the Province of Ontario?

**Hon. Mr. Bennett:** No, I agree.

**Mr. Haggerty:** That went across all Sweden.

**Hon. Mr. Bennett:** We try to make the publications available. For example, we were talking earlier this morning about encyclopaedias.

**Mr. Haggerty:** I could be wrong in the name of the certain publication but I just can't recall this one.

**Hon. Mr. Bennett:** If you are experiencing difficulty, get back to us. I don't think there is any difficulty in trying to secure a reasonable amount for teams or schools or whatever is going out of the country.

**Mr. Haggerty:** I've asked for 100 or 150 of them. I don't think that is unreasonable.

**Hon. Mr. Bennett:** No, it's not unreasonable. If there is any member having trouble, he should get in touch with us.

**Mr. Haggerty:** Perhaps the minister is not aware of it, but I do represent the riding of Erie now. It's a new riding and it does include the largest port of entry into Canada, that is the municipality of the town of Fort Erie.

**Hon. Mr. Bennett:** I'm glad you're not sitting at the same table.

**Mr. Haggerty:** It's one of the largest in Canada, I might add. I did deal with the issue that I'm going to raise with the minister during the period of the Department of Public Works. It concerns the proposed tourist centre in the town of Fort Erie. That is, the gateway to Canada.

**Mr. Chairman:** That comes under item 2 or 3. It doesn't really come under this vote at all.

**Hon. Mr. Bennett:** It comes under the operational vote.

**Mr. Haggerty:** It's the ministry policy though. I'm deeply concerned about it because it was quite an issue in the recent election. The Conservative candidate said, "If I'm elected I'm going to get it definitely." I can also recall that there are other Conservative members in the Legislature who represented that area. They said the same thing. So, hopefully, I thought that there would be no political ploys in this matter of the need of a tourist centre in the town of Fort Erie. As I said before, it's the largest port of entry into Canada and I think there is a definite



need for it. To hit Windsor, you still have to go to Fort Erie. To hit Toronto you have to go through Fort Erie.

**Hon. Mr. Bennett:** And pass the racetrack.

**Mr. Haggerty:** Oh, we're going to come to the racetrack very shortly. I'm delighted that you reminded me. I'm hoping that you do have some definite decision about when you are going to proceed with the construction of it. Unemployment is high in the area and a government project of this nature would create employment in the area. One of the stages that was proposed was going to cost \$500,000. I would have to question the elaborate type of building you would want to put in there. I thought maybe a \$250,000 one would be an ample sized type of building that would provide for the needs for a tourist centre in the area. I'll take whatever you will offer us.

**Hon. Mr. Bennett:** I've been in the member's riding on two or three occasions and have met with the travel people and discussed the possibility of establishing a travel information centre. We have worked on plans and locations where the local people have said they thought would be the best spot to have a travel centre. We have been through two or three plans of the building. The site that they would like us to use and the site that I have to admit is likely the most appropriate one has got to be without a doubt the most expensive one too because of the terrain, the lie of the land. It is going to cost us what you said was an acceptable figure just to get the land built up in such a way that we can even put anything on it.

[12:15]

**Mr. Haggerty:** The land is owned by the government.

**Hon. Mr. Bennett:** I don't care whether it is owned by the government. The physical condition of the land on which one has to build into the embankment is going to cost you better than a quarter of a million. I am going to be honest with you here today, the project very clearly indicated—

**An hon. member:** Hear, hear.

**Hon. Mr. Bennett:** You will always find that with me, so don't say "Hear, hear." I am going to put the whole facts before you. I was told: "You have to cut down your estimates, Mr. Minister. We have a constraint period and capital programmes are going out. Which ones are you cutting out?" I looked at the cost of Fort Erie's information centre and the difficulties we are going to be into

in it and I said: "That's a project that can be deferred for a period of time."

**Mr. Haggerty:** Is there not some other alternative?

**Hon. Mr. Bennett:** Yes, the trailer.

**Mr. Haggerty:** The trailer? For the gateway to Canada to have a trailer stuck there—I mean, I could go down and stick the one that I have there.

**Hon. Mr. Bennett:** I am not going to suggest to this government or to any of the members that we go and spend let's say \$100,000 or \$150,000 on a temporary location for a two- or three-year period, because if there was anything we could be criticized for that would be it. If we are going to build, let's build something permanent that is representative of the Province of Ontario at that particular location. In a period of inflation, in a period of constraint, it would seem to me to be one of the areas in which to be very realistic in our approach.

While we sympathize with the situation, I tell you very honestly, it is costly, too costly. I think if the member looked at the period of use of the building, the period of time and season of the year that we use the building, it becomes very difficult when the government is asking you to cut back—not only our government but parties and politicians perse—to spend what now appears to be in excess of a half million dollars on this structure. That is not the step that we should be making in our ministry.

I am prepared to sit down and discuss it further with the people in the travel industry in Fort Erie, but very honestly, gentlemen, at half a million or better right now and the difficulty in the construction programme in putting it there, I find it very difficult to say to anyone: "Let's proceed with this programme." I have cut off two or three others across the province as well, because I just think that is the area in capital expenditures that we can forego for a period of time.

**Mr. Haggerty.** In this particular site location, there was a building there but it was a frame type of building located right there, and there is no reason why you couldn't put up one similar to that. I don't say go to the frame thing, but right there. I don't think you have to go back and drive pilings into that hill. There are other methods. I don't agree with spending \$500,000. I think a building could be put in there at less cost than that and it would serve the Province of Ontario.

**Hon. Mr. Bennett:** One of the problems that we have—and we have assessed it from your group's point of view—is, how do you make it physically accessible to the motoring public. That is where the cost comes in—in the roadway construction and how you get people into these different elevations, because of the lie of the land and so on. Regardless of whether you put a building on there worth \$100,000 or whether it is worth \$10, it is the preparation of the land and getting the vehicles in and out, including cars with trailers, which becomes a real problem on that road system, unless it is done properly.

**Mr. Haggerty:** I think it could be accomplished.

**Hon. Mr. Bennett:** I agree, and I had the Ministry of Transportation and Communications look at it two or three times; I have had Government Services look at it two or three times; and we have had outside people give us some advice on what we could do to try to reduce the price. It might be just unfortunate, but they have all come in with prices relatively close to one another, which is a true indication to me that while I would like to see the price reduced, it just doesn't appear physically possible, again because of the land. If we could have moved back on the flat land, we might have been able to do it for less, physically, except then we move into another real problem—how do we get the roadway system in and around the complications that are at that location?

**Mr. Haggerty:** I think it could be fitted in.

**Hon. Mr. Bennett:** Let me put it to you this way, in the current year we are coming into there will be a trailer in operation for receiving guests and distributing information relating to tourism in that location.

**Mr. Haggerty:** You have no problems with vehicles coming in with the trailer located there do you?

**Hon. Mr. Bennett:** It does give some problems. The girls have complained about the fact that when cars find themselves at the opposite side of the roadway system, getting across for information has created some very difficult, if not trying, traffic tie-ups particularly when there has been a heavy flow. We know that it is not what you would call conducive to good movement of traffic.

**Mr. Haggerty:** You had co-operation with MTC in the construction of the Queen Elizabeth approach to the bridge there. If you had some dialogue between the two ministries I

don't think we would be in the fix we are in right now. The location could have been designed on the basis of the route of the road.

**Hon. Mr. Bennett:** Let me give you the assurance that we will continue to study it and try to find—

**Mr. Haggerty:** I would like to see a copy of those proposals.

**Hon. Mr. Bennett:** I have asked them if the embankment could be taken away completely and reinforced with steel and whatever else it might be, but even that involves a very questionable cost factor.

**Mr. Haggerty:** I will check into it further and get back to you.

**Hon. Mr. Bennett:** Okay.

**Mr. Haggerty:** The other question is, what does your ministry do in promoting tourism in the area? For example, the Ontario Jockey Club will be cancelling their spring meet at Fort Erie. The businessmen in the community who have developed a programme to provide the necessary accommodation for the racetrack now find, as a result of that cancellation, that they may lose about four or five weeks of business. It was announced that they were cancelling it.

**Hon. Mr. Bennett:** Why was it cancelled?

**Mr. Haggerty:** Because they want to move some of the racing days to Toronto. Under the old statute that deals with racing in the Province of Ontario, when they first purchased the racing rights from the fair boards—didn't they have the racing rights?

**Hon. Mr. Bennett:** Yes, the fair boards or fair associations at one time held a number of the racing charters.

**Mr. Haggerty:** Right. The Ontario Jockey Club have assumed that charter, but I think there are some rules and regulations that say they must have so many racing days.

I have written to the Racing Commission, but I have not received a reply to my letter. I was just wondering what steps your ministry can take to assist the town of Fort Erie in maintaining the spring racing meet at Fort Erie. I think this is going to cause some undue hardship to the motel and tourist operators in the area.

**Hon. Mr. Bennett:** Not having had any prior knowledge of it, we can certainly make an inquiry of the chairman of the Ontario



Racing Commission to see whether they are involved. I would think the Racing Commission must give some approval or sanction of dates.

**Mr. Haggerty:** They are the ones who can alter the number of days in any meet at any track in Ontario.

**Hon. Mr. Bennett:** I take it you have talked to the director of the Fort Erie raceway.

**Mr. Haggerty:** The mayor of the town of Fort Erie, Mr. J. M. Teal, has talked to him, and he is not too happy with the results.

**Hon. Mr. Bennett:** Okay, I will take it under advisement. I would just caution you that it is possible the directors have already agreed to moving the dates. In my home town I know they picked up some racing dates from others and eventually had to relinquish them as the racetracks or other events went back into action. I don't know whether it involves a privilege or some special agreement that has been extended to them.

**Mr. Haggerty:** There is the problem, I guess, that it also involves the federal Department of Agriculture. I believe there is some federal involvement.

**Hon. Mr. Bennett:** Leave it with us and we will get in touch with Charlie MacNaughton and various others and see what is going on.

**Mr. Haggerty:** I don't know how often the Racing Commission meets, but I have had no response from them to my letter.

**Hon. Mr. Bennett:** You say the mayor has met with the raceway board of directors?

**Mr. Haggerty:** He has met with the Ontario Jockey Club and I believe they have said they are going to extend the summer meet by five more days.

**Hon. Mr. Bennett:** Who is the president of the Fort Erie raceway, do you know?

**Mr. Haggerty:** I don't know if it's Mr. Mooney or not.

**An hon. member:** I think Mr. Mooney has retired.

**Hon. Mr. Bennett:** We will try to get in touch with them and see what their position is too.

**Mr. Haggerty:** I think it is going to be a loss to the community. When you look at the number of jobs that are going to be lost by the cancellation of the spring meet, I think they have some obligation to see if they can't

at least add racing days in the summer meet. I think they had intended to give them five extra days, but they still lose the 16 days or something of the spring meet.

**Hon. Mr. Bennett:** Fort Erie is never known for anything better than horse racing.

**Mr. Haggerty:** It sounds like you have been fortunate there.

**Hon. Mr. Bennett:** Its fame and fortune seems to come through the parimutuels.

**Mr. Haggerty:** It is one of the best tracks in North America; I guess it is the Saratoga of Ontario.

**Hon. Mr. Bennett:** Okay, we will look into it and get back to you.

**Mr. Chairman:** I have had several people on the list say they would like to transfer their questions from item 1 to item 2. Shall item 1 carry? Carried.

We will go to item 2 and on this list I have Mr. Norton, Mr. Cunningham and Mr. Mancini. Mr. Norton first.

**Mr. Norton:** Perhaps at the outset I could say that although Mr. Samis and I may not represent the area which can claim the largest point of entry into Ontario, we certainly will lay claim to the most attractive point of entry into Ontario from a tourist point of view. Tourism is certainly one of our major industries.

Coming back for a moment to the eastern Ontario project—I'm not sure how it is properly described, but the major recreational or tourist centre that is to be developed in eastern Ontario was discussed briefly earlier—can you indicate at what point that may be, conceptually? Is it to be a self-contained attraction or is it mainly to be an attraction which will also supplement existing tourist facilities in eastern Ontario?

**Hon. Mr. Bennett:** You are talking about the eastern Ontario major complex?

**Mr. Norton:** That's right.

**Mr. Boyer:** The concept we have for a major all-season resort in eastern Ontario will certainly complement all existing facilities there. On the one hand, for instance, Fort Henry might draw people who would stay longer because there is this resort facility. On the other hand, the resort facility, say it has convention facilities there, would in turn benefit the city of Ottawa by encouraging tours of the Parliament Buildings. It is a



facility that really doesn't exist anywhere in Ontario at this time and barely exists in Canada. It is complementary I believe.

**Mr. Norton:** Another question, then: What relationship, if any, does your ministry have to the designation of parkways as opposed to Heritage Highways? I'm thinking particularly now of the St. Lawrence Parkway and the proposed Loyalist parkway, which I hope you have heard of.

**Mr. Boyer:** We have no direct jurisdiction. We are members of a highway signing committee with MTC.

**Mr. Norton:** Have you been involved in any discussions on the proposed Loyalist parkway?

**Mr. Boyer:** Yes, we have.

**Mr. Norton:** Can you indicate, at all, at what stage that is?

**Mr. Boyer:** I believe that should come from MTC.

**Mr. Cunningham:** Going through the ministry's accounts here in the year 1973-1974, I see an allotment of \$1,740,922 for Camp Associates Advertising. Would that be Dalton Camp?

**Hon. Mr. Bennett:** That's correct.

**Mr. Samis:** The Dalton Camp?

**Hon. Mr. Bennett:** The Dalton Camp's company. May I say it is Mr. Camp's company, of which he no longer is the principal owner.

**Mr. Cunningham:** Could I ask you who the president of that company is?

**Hon. Mr. Bennett:** Mr. Norm Atkins.

**Mr. Cunningham:** Would he be the same individual who would be the campaign chairman in your last campaign?

**Hon. Mr. Bennett:** Your assumption is correct.

**Mr. Cunningham:** So we have Mr. Camp and Mr. Atkins involved in this rather large expenditure here. Are they still the agency of record for your ministry?

**Hon. Mr. Bennett:** They are until the balance of the current year. Pardon me, is it agent or agency of record? In order that we don't get a complication here, there is an agency of record for the Province of Ontario and then there is an agent for the Ministry of Industry and Tourism.

**Mr. Cunningham:** Who is that agent?

**Hon. Mr. Bennett:** Which one are you referring to now?

**Mr. Cunningham:** For your portfolio?

**Hon. Mr. Bennett:** We have five.

**Mr. Cunningham:** You have five.

**Hon. Mr. Bennett:** Yes. The agency for tourism which we are dealing with is Camp Associates.

**Mr. Cunningham:** Are you aware of their firm's participation in other parts of Canada in the promotion of tourism?

**Hon. Mr. Bennett:** I understand they handle New Brunswick.

**Mr. Cunningham:** Are you aware of their participation on behalf of the other provinces in the Maritimes on a Maritime basis? The point I'm trying to make is it seems highly inappropriate to me. If I could say with respect, this particular firm and the method of selection are highly questionable.

If this particular firm is also promoting tourism activities for other provinces, I see not only a conflict of interest I see a real division of loyalties. I see some difficulty in this firm objectively promoting the concerns of Ontario and the Maritimes at the same time. [12:30]

**Hon. Mr. Bennett:** Mr. Chairman, when we contract with—and I use the term contract with—a firm to do promotion for Ontario, we know very well their personnel, the type of programme they're going to put out, and the efforts and energies they're going to expend on behalf of the province.

You see a conflict of interest. I say very clearly to you I know for a fact they have other personnel, who do not work out of the Toronto office at all looking after the New Brunswick account. As far as I'm concerned, I do not see any conflict and I do not think you can restrict—nor should you—advertising agencies to stick only with Ontario. There are other provinces which have advertising agents, to my understanding, which deal with more than a province or their province.

**Mr. Cunningham:** That, I think, would be the problem of those particular provinces.

**Hon. Mr. Bennett:** That's right and I accept the responsibility. Let me add this: The Camp agency came into existence before I was minister. It was just a short time, maybe six or eight months before I was minister, if I recall

correctly. I think we've had a rather impressive advertising programme put together for the Province of Ontario. When I use the word impressive, it's not only my interpretation of it.

It must be impressive because of the letters and the correspondence we've received from wherever our markets are being touched by the advertising and the type of publicity and promotion we're giving.

We've increased our market position, as I said earlier today. We've increased the overall volume of tourism in the province. While we can sit and maybe question whether they should or shouldn't have a second province, I say to you that their efforts on behalf of this province have proved to be most beneficial to the industry.

**Mr. Cunningham:** I would say to you that in the light of an expenditure, on the surface, of \$1,740,000 or in excess of that, I would expect nothing less than that.

**Hon. Mr. Bennett:** Don't let's get confused about the \$1,740,000 or whatever the figure happens to be. While it is paid to the Camp agency, basically the funds are in payment of either radio, television or newspaper advertisements either domestic or international. They only keep what is rightfully theirs in the agency business, a percentage of the bills which are paid. They are paid to do this work, really, by the source in which they are placing the advertising. In other words, if we spend \$1 we get \$1 worth of advertising. If they get 15 per cent, which is usually the maximum percentage paid to an advertising agency in this country, it comes off the bill or the lineage charged by a publication.

**Mr. Cunningham:** I wonder if you could give some indication to me of the manner in which they are chosen.

**Hon. Mr. Bennett:** Yes. I wasn't around when they first selected Camp three years or more ago. At that time it was a decision of the minister, concurred in by the cabinet, that the Camp agency would handle the advertising on behalf of the province, with submissions made to it.

There were a couple of complications, I am told, at that time. The advertising agency which had previously been employed by the government and the ministry had in recent times, just prior to having Camp come in, sold out part of their ownership to an American operation, which put them in a rather difficult credibility position with the government. The various agencies were asked for submissions on their ability to put together

advertising programmes and to deal with the subject. They were then selected by a group of people within the ministry and Camp was the one which was selected to do the work.

In 1974, we were requested by Management Board—not Industry and Tourism specifically but the ministries—that in the awarding of advertising accounts, we should have an open position or submissions prior to the conclusion of any given contract. Our arrangement with the Camp agency, the contract, terminates on Dec. 31, 1975.

Within the next very few weeks, a number of agencies in Ontario—or in Canada, for that matter, Canadian agencies—will be invited to bring forward their proposals as to how they would suggest they could best advance the cause of tourism—I'm speaking only of tourism because we do have other agencies looking after other sectors of the ministry—as to how they can promote Ontario.

There is a committee that will do the selection and recommendations to the minister. I think you will appreciate that when you are dealing with an advertising agency, whether it be in the private sector or in the public sector, it eventually boils down to individuals thinking that one fellow can promote his product better than agency B. There has got to be a great deal of personal acceptance by the minister, I suppose, as to whether he believes this agency or that agency can do the best job.

**Mr. Cunningham:** I wonder if it would be appropriate at this time then to ask you on what basis the invitations are put out?

**Hon. Mr. Bennett:** We will be selecting, along with the assistance of the advertising association, agents with all the capabilities—that is, the manpower and so on. There is no sense in selecting an agency which can only produce a good brief—and then the whole thing falls through. We wouldn't be the first to experience that—and I am not referring directly to the government. There are 10 or 12 agencies, principal agencies, that function in the Province of Ontario. They will be invited to put in their submissions on the overall tourism advertising programme for this ministry.

**Mr. Cunningham:** I am really surprised that you wouldn't use the trade publications, Marketing magazine, say, to invite proposals from the various advertising agencies of Ontario and Canada, capable agencies, who could participate openly in dealing with the Province of Ontario, rather than having to wait for an invitation from this government.



**Hon. Mr. Bennett:** Let me go one step further. Several months ago I made an announcement in a speech—because I was asked to do so—about the termination date of our contract with Camp Associates. I said it was Dec. 31. Since that time, through the trade publications you referred to, who carried the information, we have had a number of agencies formally request the opportunity of submitting proposals at the appropriate time. Those agencies will be contacted.

**Mr. Cunningham:** You mentioned that the government now has an agency of record. Would all media advertising—such as newspaper space—be purchased directly through that agency?

**Hon. Mr. Bennett:** This subject does not really come within this vote, but we might as well cover it anyway. The agency of record operates on behalf of all ministries and any newspaper or publication lineage required in this country will be secured by it. If it is the Globe and Mail, the Star, the Ottawa Journal, or the Cornwall paper, it will take a contract for X amount of lineage to ensure we get maximum discounts. If my ministry was buying a thousand-line ad, for example, it would go through the agency of record. We get the maximum discount and the lowest price for the advertisement. As a result of that, the agency of record gets a percentage of the commission. The balance of the commissions are payable to the agency reporting to whatever ministry happens to be purchasing the lineage.

**Mr. Cunningham:** And that would be their method of compensation?

**Hon. Mr. Bennett:** That is the method of compensation. It is a standard form.

**Mr. Cunningham:** Before I conclude on this, I would ask that you investigate thoroughly the participation of your current agency, that being Camp Associates, and its work on behalf of the Maritimes. Possibly a decision can be made by that agency as to which area it would like to promote. Again, I can't express my concern too strongly about this. I find this very inappropriate that an advertising agency would be attempting to market and promote tourism in two different parts of the country. I don't think you do either justice.

**Hon. Mr. Bennett:** I appreciate the member's view. I can only say that if I, as the minister, thought our programme was being sacrificed for some other province, some other part of Canada, it wouldn't take me long to

move in and make sure the situation was corrected.

I have not found that statistically. Statistically, it's proved that the agency has given us good sound advice. It had been able to relate us to the right markets, or we wouldn't have had the increase in the volume of tourism. You might say that it is a natural growth, but let me assure you that it is not a natural growth. If we look at statistics in 1974, we had our greatest increase in tourist traffic. Some had a decrease. We in Ontario have had the good fortune of continuing to expand our market position which is, I think, credible.

**Mr. Cunningham:** Surely that would reflect the resources we have in this province, for which I think no government should presume to take the credit. We also have a very large population that might relate to that inter-provincial increase in the light of gas problems and so on. Certainly, with the amount of money being expended, I would expect that we would get results like this.

**Hon. Mr. Bennett:** I will take that as a fair comment, except that you must also analyse the position of other provinces and the volumes of dollars that they're injecting into the marketplace over and above what they ever did before, their capabilities to sell in the field of resources and natural beauty—and they have not been able to maintain their position.

**Mr. Cunningham:** I understand that.

**Hon. Mr. Bennett:** To their credit, the federal government have put more money into the advertising programme to try to balance off the situation, to assist some of the provinces where they have found the market is slipping away on them. I don't criticize them for that. We in Ontario haven't been pushing them. We realize that some of the Maritime provinces and some of the western provinces have experienced a disastrous position, but I think our expenditure has proved to be beneficial.

**Mr. Eaton:** Did the federal government hire individual agencies in each of the provinces to do the advertising across Canada, or do they advertise Canada as a whole?

**Mr. Chairman:** Is that in these estimates?

**Mr. Eaton:** It relates to this sort of question that we're talking about, the conflict of interest here.

**Mr. Mancini:** Is your name on the list for questions?



**Mr. Chairman:** Just before you answer that question, I'd like to inform the committee that the minister has requested permission to leave at 12:45, as he has to be in Ottawa within two hours. Would it be the wish of this committee to adjourn at 12:45, or to continue for the next 15 minutes, questioning Mr. Pillgrem and Mr. Boyer?

**Mr. Pillgrem:** I don't think it would be appropriate.

**Mr. Chairman:** It has been suggested by the minister that if it's the wish of the committee we could adjourn right now and add the 15 minutes to our next session.

**Mr. Samis:** Mr. Chairman, I'd like to move that we adjourn at 12:45 p.m.

**Mr. Mancini:** I would just like to make a comment. If this ever arises on a future occa-

sion, I wish you would make the information available to us before we come to two minutes before adjournment. Some of us have waited here to ask some questions, and now we realize we're not able to ask the questions. If you had told us at 12:30 p.m., fine.

**Mr. Eaton:** If you are part of the committee you should be here anyway.

**Mr. Norton:** I hope that doesn't suggest that if a person doesn't have a particularly relevant question at a given point in time he doesn't bother to attend the sittings of the committee.

**Mr. Mancini:** I didn't suggest anything like that. If you made that assumption—

The committee adjourned at 12:45 p.m.

## CONTENTS

---

**Friday, October 31, 1975**

Trade development programme (concluded) .....	S-93
Tourism development programme .....	S-95
Adjournment .....	S-111

## SPEAKERS IN THIS ISSUE

---

Angus, I. (Fort William NDP)  
 Bennett, Hon. C. Industry and Tourism (Ottawa South PC)  
 Cunningham, E. (Wentworth North L)  
 Eakins, J. (Victoria-Haliburton L)  
 Eaton, R. G. (Middlesex PC)  
 Grossman, L. (St. Andrew-St. Patrick PC)  
 Haggerty, R. (Erie L)  
 Mancini, R. (Essex South L)  
 Newman, B. (Windsor-Walkerville L)  
 Norton, K. (Kingston and the Islands PC)  
 Samis, G. (Cornwall NDP)  
 Spence, J. P. (Kent-Elgin L)  
 Wildman, B. (Algoma NDP)  
 Williams, J. (Orillia PC)

### Ministry officials taking part

Boyer, F. J., Executive Director, Division of Tourism  
 Fowler, W. A., Executive Director, Division of Trade  
 Pillgrem, F. J., Deputy Minister









Government  
Publications

# Legislature of Ontario Debates

**SUPPLY COMMITTEE**

**ESTIMATES, MINISTRY OF INDUSTRY  
AND TOURISM**

**OFFICIAL REPORT — DAILY EDITION**

**First Session of the Thirtieth Legislature**

**Tuesday, November 4, 1975**

**Speaker: Honourable Russell Daniel Rowe  
Clerk: Roderick Lewis, QC**

**THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975**

## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. (Phone 965-2159).

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MGS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.



## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

---

TUESDAY, NOVEMBER 4, 1975

The committee met at 8:07 p.m.

#### ESTIMATES, MINISTRY OF INDUSTRY AND TOURISM (concluded)

On vote 2004:

**Mr. Chairman:** I will call the committee to order as we now have a quorum.

We are on vote 2004, item 2. I had a couple of speakers on the list. They are not here. Does anyone else have any comment on 2004, item 2? Mr. Angus.

**Mr. Angus:** Yes, Mr. Chairman. My comment relates to the remainder of the votes under this item. Given the time constraints regarding the other items to be discussed, or ministries to be discussed within the confines of this committee, I would like to suggest that anyone who does have suggestions or comments related to the remainder of the votes under Tourism Development—and I think we are finding that they are more suggestions than criticism—should make them directly to the minister in private or in whatever form the members feel comfortable, and that we move on to some of the other votes within the Ministry of Industry and Tourism.

**Mr. Chairman:** Thank you for your comments. Shall item 2 carry?

**Mr. Norton:** No. I have a question.

**Mr. Chairman:** You have a question, Mr. Norton?

**Mr. Norton:** That's right, for the hon. minister. I was wondering if within the tourism development programme generally there are attempts being made to develop convention facilities in areas of the province outside the major concentration of population in such centres as Toronto? Is there assistance under any of the programmes in this area to smaller urban centres in the development of convention facilities?

**Hon. Mr. Bennett:** Do I take the member's questions to relate to financing?

**Mr. Norton:** Yes, in part.

**Hon. Mr. Bennett:** We have not become directly involved at this point in any way in the financing of convention facilities. There have been some special allocations of funds in centennial years and so on to a few projects; one being Ottawa and a few others. We do provide some input as to how we see the convention opportunities in that particular community; what type of facility or operation would fill the bill in that community.

I would, however, say honestly to those members that Metropolitan Toronto has been in to see us about the Province of Ontario participating to some extent in the development of a convention centre—a national style convention centre—here in the Toronto area. I might also say that I am somewhat sympathetic to it. We in Ontario have one of the great places for conventions in Toronto. Really, we haven't got adequate facilities to lure some of the very major tourist or convention gatherings that we would like to have.

What will happen in the future? I am not quite sure, Mr. Norton, but we will keep an eye on it. In a period of constraint it is very difficult to recommend to government that we should now get involved in convention facilities that could, without any fear of contradiction, run into hundreds of millions of dollars before they are finished.

While we all look at Toronto getting the favours, I think you have to be realistic. Where is the greatest opportunity of projecting the image of the Province of Ontario and luring conventions? Where are the greatest number of hotel rooms to take care of mass or major science conventions that wish to come here.

Just yesterday I had a chance to speak with the Southex people and they were telling me that this community in the current year will lose 30 very important conventions. Some are going to Montreal—to Place Bonaventure—and some to the new convention

facilities in Winnipeg. We just have nothing here in Toronto—or indeed in any other part of Ontario—that can compare with either of those.

**Mr. Norton:** Is there an active programme to attract those providers of convention facilities comparable to the kinds of programmes that you are engaged in to attract industry to various areas of the province? Do you have a programme where you point out opportunities in various parts of the province to corporations which might be engaged in the provision of such facilities?

**Hon. Mr. Bennett:** You are referring to capital investment more than just the promotion of conventions?

**Mr. Norton:** Yes, where you might, for example, attempt to interest a hotel that might be in the business of providing such facilities to locate in an area where opportunities exist. Have you done an inventory of areas of the province which might be ideal for such facilities?

**Hon. Mr. Bennett:** Yes.

**Mr. Norton:** And do you actively support such projects?

**Hon. Mr. Bennett:** Yes, most of the time. The capitalist, the free enterpriser, the man who wants to invest money, has a pretty firm idea of where the opportunities are likely to exist. He will come to us to confirm if his assessment of the marketplace is one with which we can concur.

**Mr. Norton:** But you do assist him in making information available and assist him in making that decision?

**Hon. Mr. Bennett:** That is correct.

**Mr. Eakins:** I just want to ask one question of the minister. Does the ministry become involved in purchase of parks under tourism?

**Hon. Mr. Bennett:** Are you talking about natural resources parks?

**Mr. Eakins:** Parks generally. Was your ministry involved at all in the purchase of Cheltenham Park?

**Hon. Mr. Bennett:** No.

**Mr. Eakins:** It does not involve your ministry?

**Mr. Williams:** Mr. Chairman, I apologize for being late. I just picked up on the latter

part of the discussion, pertaining in particular to Metropolitan Toronto on convention facilities and the involvement of the Ontario government. I gathered from the comments that were made it was suggested that some favouritism had been directed to the Toronto area as far as government support of services in the area of tourism was concerned. I may have misinterpreted that because I came along in midstream.

In any event, what I did want to determine, Mr. Chairman, was the current status of the negotiations I understand have been going on for some time between Metropolitan Toronto and the government of Ontario vis-à-vis the provision of convention facilities within the Metropolitan Toronto area. Perhaps the minister may have to repeat some of the things he said, and I'm sorry, but he was commenting on that point, and I didn't—

**Hon. Mr. Bennett:** Mr. Chairman, very clearly the Metropolitan Toronto council have indicated they would like to have major international convention facilities located in this community. I would have to say to you that we have looked very sympathetically upon the project as having some value in developing further tourism traffic in this community and in using up the hotel accommodations that have been provided over the last two or three years. Metropolitan Toronto under Ab Campbell first launched the project three or four years ago by giving it to an architect and some consultants and we had a chance to look at those plans. [8:15]

It then lost a little bit of its momentum; I am not quite sure why, maybe because of the death of Ab Campbell.

The Board of Trade, as you might know, then took up the cause and put some money forward for further studies. At the moment they are not quite sure where the convention centre could be located in this community but they know they require one. We are prepared to assist and work along with them.

I make it very clear we have not made any financial commitment toward the structure. We have indicated we look sympathetically upon it. We also believe that if we are to build one of an international size, in light of the fact that the federal government has contributed on a cost-sharing basis to other convention facilities across Canada we would likely be prepared, given the times economically and so on, to look at what we could do as a province to assist them.

There is no doubt that it is needed, the question is whether the timing is right.

**Mr. Williams:** It was my understanding there was a three-way working agreement possible between the federal and provincial governments and the municipal corporation and that as far as this government is concerned that still stands; is that correct?

**Hon. Mr. Bennett:** We would certainly look at it favourably and try to come up with some part of the financing if it's within the realm of financing at that time. I make no apologies. With the economic constraints and the cutbacks in some of our own capital projects it is very difficult to come forward and suggest they should get into a massive project. The Winnipeg centre was \$25 million. Edmonton and Calgary have been into some very expensive projects. It will be very costly, but I think it will be rewarding from a tourist traffic point of view.

**Mr. Chairman:** Shall item 2 carry?

Items 2 and 3 carried. On item 4, then.

**Mr. Williams:** Do you wish to explain what Experience 75 is?

**Hon. Mr. Bennett:** I will ask Mr. Boyer if he will explain it.

**Mr. Boyer:** Experience 75 was a means whereby the tourism division was able to supply student travel counsellors to the 12 travel associations in the province with funds from the youth secretariat.

**Mr. Williams:** Is there an intention to carry on this project in future years?

**Mr. Boyer:** It would certainly be the wish of the ministry and the division to do so. I can't speak beyond that.

**Hon. Mr. Bennett:** It proved very beneficial in the current year and we would certainly like to see it continue. It is a matter of whether we can work it in within the estimates we are now dealing with.

**Mr. Reid:** I am sorry, I didn't quite catch the minister's comment. Are these people working with the regional tourist offices?

**Hon. Mr. Bennett:** With the travel associations.

**Mr. Reid:** With the travel associations. I wonder if I could sneak in a question, with the minister's and the chairman's indulgence?

On the travel associations, are you going to allow certain areas to opt out of the travel

associations, to wit, Kenora? As you may know, Kenora wants to drop out of the regional tourist association. Are you going to allow this to happen across the province?

**Hon. Mr. Bennett:** In answer to the member's question, to opt out is one thing but if you are asking if we are going to allow them to opt out and then finance them—

**Mr. Reid:** That is what I am asking.

**Hon. Mr. Bennett:** No.

**Mr. Wildman:** I have one small point for clarification. Was there some connection between Experience 75 and the Ministry of Education?

**Hon. Mr. Bennett:** No.

**Mr. Wildman:** I know of a particular project in Sault Ste. Marie which involved the Board of Education. Students were working on a project for the Board of Education and I understood there was some connection with the Ministry of Education.

**Hon. Mr. Bennett:** I will ask Mr. Boyer.

**Mr. Boyer:** This year through Experience 75 and through the youth secretariat we were able to hire eight students for each travel association. Six of them were travel counsellors; one of them was a student photographer and one was a marketing student. It could well have been that they were from community colleges studying photography and marketing.

**Mr. Wildman:** This had nothing to do with anything like that. It was a project on which they were compiling the history of a school.

**Mr. Boyer:** It was not our project then, sir.

**Mr. Norton:** Was Experience 75 not—

**Mr. Wildman:** Oh yes, yes.

**Mr. Pillgrem:** This is an overall government programme. You will notice that in our estimates last year it was not funded, although it was allocated to us from Experience 75. This year it has been provided to this ministry direct.

**Mr. Chairman:** Mr. Norton?

**Mr. Norton:** Yes, may I, with your permission, ask just one question relating to tourism marketing development? It was dealt with rather quickly and I had one question I wanted to ask?



**Mr. Chairman:** Yes, all right. I gave way to Mr. Reid so I will have to give way to you.

**Mr. Norton:** I was wondering if the tourism marketing development programme is a year-round effort?

**Hon. Mr. Bennett:** Yes.

**Mr. Norton:** I notice—at least, it appears to me and maybe I just selectively see things—that the emphasis seems to be on summer activities. What efforts, if any, are being made for greater development of a winter tourism programme in this province?

**Hon. Mr. Bennett:** We have, Mr. Chairman, developed an all season advertising programme. Certainly the strongest emphasis is on our summer programme; spring and fall and winter being pretty well on a par. I suppose we spend a little more on the spring because we are leading up to a tourist season, but we have, over the last two or three years, considerably advanced the funds expended for winter activities and will continue to look at it. Our funds to be expended will be in the range—and I am only going to guess at it, I haven't got it down specifically—in the range of about \$400,000 for winter development.

Vote 2004 agreed to.

On vote 2005:

**Hon. Mr. Bennett:** Thank you, Mr. Boyer. I would ask Mr. Radford if he would join with us for operations programme under vote 2005.

**Mr. Roy:** Just a very brief question to the minister on this Ontario House. Is Ward Cornell still there?

**Hon. Mr. Bennett:** Yes.

**Mr. Roy:** Is he happy there?

**Hon. Mr. Bennett:** So far as I know he is.

**Mr. Roy:** Good, good; you know we wouldn't want him to be displeased.

**Hon. Mr. Bennett:** I am told that there are a great number here who have enjoyed the courtesies he has been able to extend to them.

**Mr. Roy:** At Ontario House? I am sure. That is why we want to know if he is still there.

**Hon. Mr. Bennett:** Yes. Same address, same phone number.

**Mr. Roy:** And he is pleased? He is happy in England?

**Hon. Mr. Bennett:** As far as I know.

**Mr. Roy:** Well he should be, he has a good job.

**Mr. Samis:** One quick question. I just noticed that in Operation Overseas there is no office in Paris. Is there any particular reason? You have covered the European market fairly effectively, but there is no office in Paris.

**Hon. Mr. Bennett:** Yes, we have looked at the Paris market, the French market.

**Mr. Samis:** Quebec has it sewn up?

**Hon. Mr. Bennett:** No, I wouldn't say so. I wouldn't want to—I say this very clearly and honestly about Quebec—I just wouldn't want Ontario to undertake the same type of programming in Paris that the Quebec government has, because the dollar value received is very questionable. But I appreciate their reason for being there as do those who appreciate our reason for being in London, England. We believe the London office can really handle the affairs of the European Economic Community.

May I add one other very general remark. In the next period of months we will be doing a complete reassessment of all of our foreign operations to find out whether we should maintain offices in some of the communities we are presently in, or whether there are some communities we are not in at the moment where we should be spending more time and effort and funds. Indeed I have asked the former federal Minister of External Affairs and the former federal Minister of Industry, Trade and Commerce if we could not, as provinces—

**Mr. Samis:** Who is this?

**Hon. Mr. Bennett:** It was Mr. Gillespie and Mr. Mitchell Sharp. Now it is Mr. Jamieson and Mr. MacEachen. I have asked about the opportunity of provinces becoming more closely associated with the federal operation. Why could there not be an Ontario desk, for example, provided at the accommodation presently operated by the federal government?

We are not looking for a free ride, we will pay our way. But the convenience of being next to the federal government, and maybe being very close to other provinces that wish the same opportunity, could ultimately produce a much more comprehensive plan for Canada and Ontario.

**Mr. Samis:** One final question, Mr. Chairman. Is the minister saying the essential reason is political more than economic, in the case of a Paris office not being in existence?

**Hon. Mr. Bennett:** No, it is economic. We've looked at the market. We believe we can handle the requirements of Paris and France through our Brussels and our London offices. We have enough personnel there to service the requirements.

**Mr. Roy:** Ward Cornell gets to Paris occasionally does he?

**Hon. Mr. Bennett:** Oh yes, he gets to Paris occasionally. He gets to a few other places too, just to make sure he keeps an eye on what goes on and keeps informed.

**Mr. Reid:** Couldn't we have an all-party committee go over there to check on him?

**Hon. Mr. Bennett:** You move that and get it seconded by the NDP and maybe we can accommodate you.

**Mr. R. S. Smith:** On this same subject, I have just a question. You have an office in Brussels, I understand?

**Hon. Mr. Bennett:** That is correct.

**Mr. R. S. Smith:** And would that not be the office that deals with the economic community rather than the one in London—because the head of the economic community is in Brussels?

**Hon. Mr. Bennett:** They work together in their dealing with the market. Obviously you can appreciate the size of that market. We have the people in Brussels and we have our London office as well. Mr. Cornell has really been the clearing house.

**Mr. R. S. Smith:** But the major economic activity in Europe is in Brussels, because that is the head of the European Economic Community.

**Hon. Mr. Bennett:** That is the head office location, right.

**Mr. R. S. Smith:** So, it is obviously where your main thrust should be as far as I am concerned. But it apparently is not. It seems to be in London, which is only a part of the economic community now.

**Mr. Radford:** We have a listening situation with the office in Brussels. We also have offices in other parts of the European economic area. They all look after their own individual areas rather than dealing directly with the commission in Brussels. We don't have that much to do with the commission in Brussels. It is mostly handled by the federal government. We don't have any representation in those offices or anything. All it is is a

listening post. They report back to us on any information that comes out of it.

**Mr. R. S. Smith:** And yet the activities of the European community are centred there. The economic activities now are becoming more centralized there all the time, as I understand it.

**Mr. Radford:** Yes, but you see we are interested in a number of things in the foreign offices. Basically it is selling goods abroad to the various areas; to individuals, not to governments necessarily.

We are interested in attracting industry here, as well as joint ventures in licensing arrangements and so on from these areas. Our individual officers in our European offices do that kind of contact work. We haven't up till now had any relationship with the European Economic Community from that point of view. What is going on there is theoretical or GATT negotiations and that type of thing. We aren't involved in that in other than a listening situation. The federal government doesn't consult our representatives there on that type of thing; the consultations are done back here, between here and Ottawa.

**Mr. R. S. Smith:** Do the people who are in these offices in the different countries all speak the language of the country they are in? This wasn't the case previously.

**Mr. Radford:** It wasn't the case previously but we are now competent in the languages of the countries we are in.

**Mr. R. S. Smith:** I was very surprised when I went to Brussels and found our trade attaché there, or whatever his title is, could speak neither Flemish nor French.

**Mr. Radford:** The man who is there now speaks French fluently.

**Mr. R. S. Smith:** This was three years ago. I could not understand how he could carry on.

**Mr. Radford:** In the Brussels office? The man, Paul Sampson, was—

**Mr. York:** Are you sure it was the Ontario officer and not the Canadian—

**Mr. R. S. Smith:** I sat beside him at lunch and I asked him and he couldn't speak either one.

**Mr. Radford:** With the Flemish I agree. We are certainly bilingual, both the men who have been there.



**Mr. R. S. Smith:** You had better check it again.

**Mr. Norton:** Just one question. Do these overseas offices offer the full range of ministry services? I realize they are involved in the industrial aspect of it, do they also deal with the tourism on an international basis?

[8:30]

**Mr. Radford:** On an international basis, we don't have a tourism development officer in all of the offices. We have two in London and one in Germany. The other men are doing a combination job. We have a tourism development officer in Tokyo and a tourism development officer in Los Angeles. In the other offices, the programmes of the ministry in industrial development, trade development and tourism development are handled by the staff located there. But not specifically in each case as we have in London, Tokyo, Los Angeles and Germany.

**Mr. Norton:** Thank you.

**Mr. Chairman:** Shall item 1 carry?

**Mr. Williams:** On this particular item; with regard to the Sao Paulo office, how long has that facility been open? What percentage of return are we experiencing from that office as related to the other Americas branches?

**Mr. Radford:** The Sao Paulo office is relatively new—three, four years—since 1972.

The return to date has been very good on marketing; that is, selling products. It's very good relative to what we expected to start with. Last year at the international conference we had here at the beginning of the year, the greatest amount of interest came from Canadian manufacturers who wanted to sell in that office and they've had quite a number of people going down there.

We've had three or four trade missions going to it. There isn't any industrial development coming this way and no tourism development coming this way. But it will be primarily a marketing situation—not consumer goods as much as technically sophisticated items and Canadian technology that we are selling for the consultants and that type of thing.

**Mr. Williams:** The office of course is located in Brazil. Is this where the main emphasis is being given to developing industrial input? Or is there some strategy worked out whereby you have contacts in the other South American countries working out of this office?

**Mr. Radford:** The Brazil office doesn't go much beyond Brazil at the moment. The Mexican office carries out some of its endeavours in other countries within a sensible range. Brazil seems to have its hands full at the moment with getting into that market. The demand is for technically oriented products and for possible licensing and joint ventures going the other way—from here down there rather than having a completed consumer product going into Brazil—because they are very restrictive in that. We are emphasizing the ability of Ontario companies to go down there to establish a market through a licensing or a joint venture proposition and having the benefits accrue through royalties and that type of thing to the Ontario economy.

**Mr. Williams:** As I understand the situation, the inflationary factor in the Brazilian economy is double, I think, what we are experiencing in this country and most countries around the world. In light of that desperate situation, has there been any apparent cut-back in this interest in foreign importation of technical services?

**Mr. Radford:** No. If they don't have it, they want it. If it's a necessary part of their economy there doesn't seem to be any problem with buying it. As I said earlier, and as you can appreciate, when it comes to consumer goods, it's another matter. This is where their restrictions are placed.

**Mr. Williams:** But in summation you are well satisfied with the results we've been having out of the Sao Paulo office for the investment made?

**Mr. Radford:** For the investment made? Yes, at the moment. As the minister indicated a few minutes ago, we are looking at it again. We figure that it's possibly a five-year proposition to find out whether the thing is going to be viable or not. Between now and the next 1½ years we'll be looking at it in great depth and deciding whether or not it's going to be beneficial there or whether we should be in the Argentine or somewhere else, maybe not with the same individual but with that expenditure of money. We've closed offices in a number of places over the past years when we've found out that after a three, four, five year trial the net return per dollar invested hasn't been advantageous to the province.

**Mr. Williams:** My last question then is the net investment in the Sao Paulo office?

**Mr. Radford:** It is now costing us \$98,000.



**Mr. Williams:** About \$100,000 a year. We have one man there, essentially, do we?

**Mr. Radford:** We have one man and a contract for a secretary; and also we have an allocation of a casual staff, as we call them, that we could hire locally. As I say, we're looking at it more thoroughly and we haven't put that commercial counsellor in place yet.

**Mr. Chairman:** Shall item 1 carry? Carried. Item 2? Carried. Item 3? Carried. Item 4? Carried. Item 5? Carried. I can see that if I let you wander a bit on the first vote the next items carry quickly, eh?

Vote 2005 agreed to.

**Mr. Angus:** Actually, Mr. Chairman, I have one question. Earlier on in the debate I asked for the total information regarding the public relations or advertising programme of the ministry, and was advised that the committee would receive that during the discussion. I'm just wondering if the minister does have it yet, or when we can expect it.

**Mr. Chairman:** Fine. I'll ask the minister to reply to that question.

**Hon. Mr. Bennett:** If I recall, Mr. Angus, you wanted a breakdown on the advertising programmes by the individual votes.

**Mr. Angus:** Correct.

**Hon. Mr. Bennett:** For the entire ministry?

**Mr. Angus:** For the entire ministry. May I suggest that I don't think it's really necessary for item by item verbal disclosure at this point. I'd be prepared, and I think the rest of the members would be too, to receive a copy of that material, with our thanks.

**Mr. Chairman:** Fine. The minister has given me two copies. I'll ask our clerk to see that other copies are made and distributed to all members of the committee.

**Mr. Roy:** You're doing a good job, Mr. Chairman.

**Mr. Reid:** Double his salary.

Vote 2006 agreed to.

Vote 2007 agreed to.

On vote 2008:

**Mr. Chairman:** Vote 2008, Ontario Place Corp.

**Hon. Mr. Bennett:** Could I ask Mr. Brown, who is the administrative officer for Ontario Place, to join us?

**Mr. Eakins:** Mr. Minister, in regard to Ontario Place, is it the opinion of the Provincial Auditor that the present accounting system is inadequate?

**Hon. Mr. Bennett:** Which?

**Mr. Eakins:** The accounting system of Ontario Place is inadequate; has this been a finding of the Provincial Auditor?

**Hon. Mr. Bennett:** Not to my knowledge. I grant you, he might have had some questions relating to some of the items in the past, which have been corrected. I think he did, in his auditor's report—Mr. Pillgrem might be able to help me here, because I'm trying to recall—he did make some comments on some of the accounting practices and suggested the strengthening of them. I think whatever has been carried out has been carried out since with the auditor's concurrence.

**Mr. Eakins:** Are you happy with the present accounting system?

**Hon. Mr. Bennett:** Well let me reply in this fashion: As far as I am concerned, the accounting system appears to meet the requirements of the provincial auditor.

**Mr. Chairman:** Any further questions?

**Mr. Reid:** I'll keep it brief. We went through this in some detail, Mr. Pillgrem and Mr. Brown will perhaps recall, in public accounts. Have you decided how you are going to fund the deficits of Ontario Place over the next 10 years or whatever? Or are we going to keep having an item in the ministry estimates to make up the deficit?

**Hon. Mr. Bennett:** Mr. Chairman, since I have been the minister we've discussed various ways that we might handle it. I think Mr. Reid and I have discussed how we might change some of the accounting practices. Whether the auditor would entirely agree with them I'm not sure. At the moment the suggestion has been that we should continue to carry the funds in this vote to cover the deficit factor of the operation of Ontario Place. If there is some better way of doing it in the eyes of the former chairman of the public accounts committee I would be interested in hearing it. It still has to be public funds that balance the cost of operation of Ontario Place.

**Mr. Reid:** What is the deficit going to be for this year? It is \$1.3 million, is it?

**Mr. Brown:** This year it will be in the area of \$2.1 million. The auditor has just completed his review and I understand his report will be issued very shortly.

**Mr. Reid:** Is that till fiscal April of 1976?

**Mr. Brown:** April of 1975.

**Mr. Reid:** April of 1975. So what is the projected budget for April, 1976, then?

**Mr. Brown:** It is \$2,795,000.

**Mr. Reid:** So we are seeing a fairly fast progression in the deficit that we are piling up from Ontario Place year after year?

**Mr. Brown:** That is correct, sir. It should be noted, however, that the admission fees for entrance to Ontario Place have not changed since 1972. Until that change is made we are likely to have to face increased costs each year, in line with the general inflationary trend.

**Mr. Reid:** As I understand it, the government's attitude is that Ontario Place should be available to all its citizens and therefore they are holding the charge down. Of course, we could give our northern speech and say that some of my constituents don't really get much of a chance to use something that is so heavily subsidized. I tend to agree with this, some of my people do get down here to take advantage of it. The other side of the coin—and this again was discussed in public accounts and a fount of information came out of that committee—is that we could do something about increasing the revenue side by charging those people who were using the facilities or renting the facilities a higher charge or rental than we are now doing.

I think you will recall, Mr. Brown, we went through what the formula was. The opinion that was expressed at that particular time was that perhaps the formula being used was not sufficient and that the province wasn't realizing as much as it could from those people who were leasing space and running concessions at Ontario Place.

Has there been any more thought given to that? I think we have to come to some logical and rational approach to this because the costs and the deficit are escalating rapidly. It's almost 50 per cent in one year, I would think, or at least a third. It's gone up a third between 1975 and 1976, or the projection has in any case. If we keep going at that rate in three or four years we are going to have a fantastically huge loss on it.

[8:45]

**Hon. Mr. Bennett:** I might say to the members, Mr. Chairman, that we'll again take under advisement the admission charge in light of some of the other charges in major attractions that are being advanced or increased. I have to agree with you. I am not one who really believes that if you have an operation such as this, which is financed through the Province of Ontario, that you should bring the admission charge to a point where it is not attainable by any group of people or individuals who wish to attend; of course, senior citizens, children and so on are admitted free. We will be looking at other areas of revenue.

We have tried to cut down the cost of operation of Ontario Place—and I must admit there are some people who get a little vexed by the minister's remarks that we have to cut out certain items; I just can't see putting up some of the funds. I think we've got to find a better way of operation as far as balancing of the budget is concerned in Ontario Place. I would be giving this committee some wrong information if I said I could see the day coming when it will balance, because I don't think I would want to venture into that field at all.

**Mr. Roy:** But your predecessors said they would.

**Hon. Mr. Bennett:** Maybe they didn't have as much experience in business as I have; I don't know.

**Mr. Reid:** We have a more honest minister.

**Hon. Mr. Bennett:** Mr. Roy, I'm going to be very frank with you: we've got a heavy capital investment. If one could calculate the spinoff revenues to the Province of Ontario through the sale of goods, hotel rooms and whatever else comes about, it likely would have a balanced position; but in the bookkeeping figures directly related to this operation it doesn't balance and it is not likely to balance.

I think we have to be very careful, if we are going to start moving admission fees on an upward scale, that we don't decrease the number of people or prohibit some of those who really should have the opportunity of using this facility from using it.

**Mr. Roy:** I agree with you. But the point I was going to make is that we were kidded by some of your predecessors that this was going to be a self-sustaining operation—not on the basis of the business it attracted for the city of Toronto through hotels, restaurants, and so on.

As I recall, when people raised the question of Ontario Place from year to year, some of your predecessors made statements—and I can't attach a statement to the individual—

**Mr. R. S. Smith:** Stan Randall always said that.

**Mr. Roy:** I think he kidded the public, because there are very few of these operations, whether you are talking about Expo or Ontario Place—

**Hon. Mr. Bennett:** Or the Olympics.

**Mr. Roy:** Obviously the Olympics are going to be a problem, but few of these operations are self-sustaining. I would put another caveat to that: When you are considering increasing the admission charge, you are again going to be caught in the federal inflationary controls. You won't be able to go any higher if you are going to follow those guidelines as part of your government's policy.

**Hon. Mr. Bennett:** I have to admit to raise the admission is likely to defeat the purpose of the operation; that is, to make it a good advertising position for the Province of Ontario and to provide an opportunity for a number of people who visit the city of Toronto to make use of a sort of park facility and indeed for a great number of people who are trapped in the city of Toronto and the metropolitan area for the entire summer period to have a place they can go to where there is a changing exhibit. I only add this: If Ontario Place is to continue to be a selling programme for the Province of Ontario, it has to be constantly upgraded and improved and changed or it will eventually lose its charisma as far as presentation to the public is concerned.

**Mr. Eakins:** Would you consider the cost out of hand in terms of what was first anticipated when it opened?

**Hon. Mr. Bennett:** I don't know what was first anticipated. It was built as a billboard or a showplace for the Province of Ontario; keeping that in mind, I think the advertising cost seems to be within reason, but we will struggle to try to bring the deficit factor closer into line. You will notice in the estimates that there is a heavy capital investment for Ontario Place, pretty well on an annual basis; and that is to upgrade and improve the facilities to bring new attractions and new items into the operation.

**Mr. Bounsall:** Mr. Minister, you have spoken at length on raising the admission

prices to bring the books more into balance, but you really haven't commented on raising the revenues through higher charges for concessions there. Just what is being thought of in this line? This was, I understand, a suggestion brought forth at the public accounts committee.

**Hon. Mr. Bennett:** I'll ask Mr. Brown, who is the chief financing man.

**Mr. Brown:** As Mr. Reid pointed out, this was discussed at some length at the public accounts committee. At that meeting it was brought out that the agreements with the concessionaires which were entered into in 1971 were for an 11-year period, and the percentages of their gross that were to be paid as rent to Ontario Place are fixed by those agreements.

**Mr. Reid:** Till when?

**Mr. Brown:** Until 1981. The only way in which we can increase our rentals from concessionaires is to expand the number of concessions or alternatively—and this is what is happening today—to share in the increased revenues that the concessionaires are getting from both increased traffic and higher prices for their services.

**Mr. Bounsall:** So we have a percentage of their gross. Is that the way the rental counts?

**Mr. Brown:** Yes, that's correct.

**Mr. Bounsall:** Has that been growing? I assume that has been growing.

**Mr. Brown:** Yes, it has. Since the corporation came into being in 1972, concession rentals have doubled.

**Mr. Bounsall:** Would you say that it's a fair formula? You're locked into the formula. Is that formula, at this point, a fair formula?

**Mr. Brown:** It's in line with what is being charged for like operations elsewhere in Ontario.

**Mr. Bounsall:** How do you mean "like operations"?

**Mr. Brown:** Food concessions around Ontario. The percentages are in line.

**Mr. Chairman:** Are you finished, Mr. Bounsall?

**Mr. Bounsall:** Yes, I am.

**Mr. Reid:** I would like to ask what percentage of the deficit, or what gross amount of the deficit, Mr. Brown, is related to the



carrying charges on the original capital cost? Can you break down for us from where the deficit of the \$2.1 million comes? Is it operating deficit? Is it capital deficit? If so, what are the items?

**Mr. Brown:** It is an operating deficit. It is the cost of operation minus the revenue that we obtain from admissions from our marina, from our concessions, from other attractions on site.

**Mr. Reid:** Can you give us some gross figures? How much do we lose on the marina? How much do we lose on maintenance and service? Where do the large deficits come from? What items make up that \$2.1 million? Can you be a little more definite?

**Mr. Brown:** I can state it as simply as this: Revenues are in the area of \$3.5 million and the expenses are about \$6.3 million.

**Mr. Reid:** About \$6.3 million and what?

**Mr. Brown:** And \$3.5 million.

**Mr. Reid:** That comes to about \$2.8 million, my computer-like mind tells me.

**Mr. Brown:** Which is what our forecast was for this year: \$2.795 million.

**Mr. Reid:** It was \$2.795 million. What I want to know, Mr. Brown, is what makes up that \$2.79 million. You told me that it's operating and it's marina and what not, but what are the details? I'm after the details. We always talk in generalities here.

While you're thinking of that, I would like to put this question to you. I profess to absolutely no knowledge of this. How does the CNE itself make out? Do they run an operating deficit? Does the city of Toronto make up their loss every year or is there a loss from the CNE?

**Mr. Brown:** The CNE has operated, in the last year, at a very small profit situation, I believe, basically as a result of their grandstand office. I'm not entirely familiar with their financial position or their operations.

**Mr. Reid:** I don't want to pursue this unduly, Mr. Brown. If you could help me with the details, I wouldn't have to keep asking. Do we lose money on the entertainment that we provide at Ontario Place? Is that a large item in the deficit?

**Mr. Brown:** Yes. The largest part of our expenditure is on the operation of the non-paying attractions of the park—the Forum, the Cinesphere and the theatres.

**Mr. Reid:** How much of the \$2.7 million is lost on those operations?

**Mr. Brown:** I would say it's all lost on those operations, because the revenue-producing attractions are self-supporting.

**Mr. Reid:** They are? You're not making a profit on them, but they are self-supporting?

**Mr. Brown:** We are making a profit on our marina operation; we're making a profit on the pedal boats; we're making a profit on the mini-golf; we're making a profit on our boutique operation. I should point out that there are no carrying charges on the original capital investment.

**Mr. Reid:** Yes, I understand that.

**Mr. Brown:** I believe you asked that question before, Mr. Reid.

**Mr. Reid:** Yes.

**Mr. Spence:** Is the attendance going up or down?

**Mr. Brown:** The attendance has been increasing since 1972. In 1972 there were 2.4 million people. It has risen to almost three million.

**Mr. R. S. Smith:** You talk of the 11-year tenure of the agreements between yourself and the restaurant operators and what have you. Is this a normal time for the period of agreement? I've been involved in some of these things that were for much shorter periods of time and where the adjustments were made much more quickly.

**Mr. Brown:** Five years might be more normal today. You must recognize though that Ontario Place is a seasonal operation, and in order to induce the concessionaires—who have sizable investments in those properties—to come into an operation like that, it probably was necessary to offer a longer period.

**Mr. Angus:** Mr. Chairman, in the last week or so the CNE has expressed some concern publicly regarding the possible development of an amusement park funded by an American firm. Has the ministry considered investigating the end-all effect to Ontario Place should that facility be developed?

**Hon. Mr. Bennett:** Mr. Chairman, while it doesn't come specifically under this vote, let me make it very clear that we have had discussions with the people who would like to come and establish an amusement park within a relatively close distance to the city of Toronto. We do not see it as competition

to our Ontario Place operation, because we believe we are selling an entirely different package to what they would be offering. We have never considered Ontario Place an amusement park. We do not have rides and some of the other novelty shows they have in an amusement park.

I can see why the CNE would have very serious concern that if an amusement park of the magnitude they are speaking of was to be established for year-round operation it could cause them a very serious loss in revenue through a decline in attendance.

**Mr. Norton:** Just one brief question, Mr. Chairman, going back to the question relating to the concessions. I presume that in this situation the concessionaires would be required to provide their own capital, equipment and so on. Is that part of the arrangement with them?

**Mr. Brown:** Mr. Norton, the ministry provided the shells of the buildings and took the services to the walls of those buildings. Inside the concessionaires were required to provide all the furnishings, all the decoration, all the equipment.

**Mr. Norton:** Then the 11-year leasing arrangement would not be extraordinary under those circumstances, considering the investment that some of them would have?

**Mr. Brown:** That is exactly what I said, Mr. Norton.

**Mr. Williams:** Mr. Brown, would it be fair to compare it with other provincially-operated tourist attractions—such as the Royal Ontario Museum, the Science Centre, Upper Canada Village, Fort Henry? How do the admission charges and the operating losses of Ontario Place compare with those of other government-operated facilities?

**Mr. Brown:** Speaking of the Science Centre, which is the only one with which I have any degree of familiarity, their operating grant is approximately one-half ours—it's in that ballpark area. Admission fees—

**Mr. Williams:** What about their admission fees and operating losses on a percentage basis? What are the admission charges first of all; and then what are the operating losses?

**Mr. Brown:** Their admission fees are in line with ours.

**Mr. Williams:** What about their operating losses?

**Mr. Brown:** Of the Science Centre? About one-half of ours.

**Mr. Williams:** About one-half.

**Mr. Pillgrem:** They operate on a year-round basis, of course.

**Mr. Williams:** I see. What about the seasonal facilities, such as Upper Canada Village and Fort Henry?

**Hon. Mr. Bennett:** There are several major attractions in the province owned by the people of Ontario. There is St. Marie-among-the-Hurons; there is the new one up at Thunder Bay, Old Fort William; there is Upper Canada Village; there is also Old Fort Henry; there are the Niagara Parks Commission parks; there is Ontario Place; the Ontario Science Centre; and the ROM, I suppose, could also be included in that category of facility. I would have to get a complete breakdown on each one of them.

Having reviewed them over the period of the last year or two, I believe their fees are, I would say, within 50 cents of one another. The difference in operating costs and losses is something I would have to take under advisement. Since they don't come under our ministry, I wouldn't be sure exactly what they involve.

**Mr. Williams:** Which ministry do they in fact come under?

**Hon. Mr. Bennett:** Culture and Recreation; Mr. Welch.

**Mr. Williams:** Why is it that Ontario Place in fact comes under your ministry and the others under Culture and Recreation?

**Mr. Roy:** Don't start looking for logic in these.

**Mr. Angus:** We will be here all night.

**Hon. Mr. Bennett:** Ontario Place came under this ministry some time ago. We were asked if we thought it should go to Culture and Recreation and, very frankly, I said, "No." Ontario Place had been shifted back and forth from various ministries and until they can get their feet on the ground and get things going I thought they should stay under this same ministry. That is not to say in time to come it will not be taken over into Culture and Recreation along with the other major attractions.

**Mr. Chairman:** Item 1 agreed to. Mr. McCague would like to ask a question on item 2.

**Mr. McCague:** I see that your development costs are listed here over the past three years. Does the increase in attendance bear any relation to the amount of money you've spent for improvements?

**Hon. Mr. Bennett:** There has been a steady increase in attendance. I indicated at the opening of the estimates that the increase in the current year was one or two per cent over last year. The reason for your capital investment is to change programmes and so on to keep it fresh and keep it new, with some new ideas that will stimulate the interest of the people coming.

I'm not sure that I can directly relate new capital investment to increase in attendance. I can only put it that if you didn't continue to expand I think you would find attendance perhaps starting to wane somewhat. It wouldn't be fresh, imaginative and stimulating.

In the current year our new capital investment would be roughly \$1 million. Some of it is to upgrade some of the facilities and improve some of the conditions that exist at Ontario Place—to make it more convenient for people moving to and from the islands so the traffic doesn't all have to come through the main gate, items such as that. It is really to make the movement of traffic more convenient for people.

**Mr. McCague:** Is it not the programmes you offer that attract people rather than the facilities you are increasing?

**Hon. Mr. Bennett:** We believe it is really both, Mr. McCague. If the facilities are not kept in presentable condition and if the reconstruction programmes are not brought in—if you can't present a safe place for people to be—we think that could have a detrimental effect on convincing people to use the facilities.

**Mr. Chairman:** Shall item 2 carry?

Carried.

**Hon. Mr. Bennett:** Mr. Roy had a question.

**Mr. Chairman:** Oh, I'm sorry, I thought you were on—

**Mr. Roy:** No, no. I wanted to speak on item 1 of 2009.

Vote 2008 agreed to.

On vote 2009:

**Mr. Chairman:** As soon as the staff comes up, Mr. Roy, I will call on you for vote 2009.

**Hon. Mr. Bennett:** Mr. Chairman, may I introduce to the members of the committee, Mr. Jim Joyce who is the chairman of Ontario Development Corp.; and Mr. Dave Rodgers who is the deputy managing director.

**Mr. Chairman:** Would the committee like to take all three items together?

**Mr. Angus:** Mr. Chairman, there are probably individual questions relating to each of the three. I think we would all prefer to break them down into the three items.

**Mr. Chairman:** Very well.

**Mr. Roy:** Mr. Chairman, briefly to the minister: The minister indicated earlier in his comments he did not want to mislead the members of the committee. I want to point out a situation in which I've been hopelessly misled by him in 1974, dealing with an ODC loan to an individual corporation in Ottawa. I want to relate to the members of the committee, to you, Mr. Chairman, and to the minister, the series of events which took place in my correspondence with him and the ministry dealing with this corporation.

On May 16, 1974, I wrote to the Hon. C. Bennett, Minister of Industry and Tourism, and the letter was very simple. It was a very simple request. It concerned the Ontario Development Corp. and a loan to I.C. Suatac Construction Ltd. I stated very briefly in my letter,

I would appreciate if you would advise if an ODC loan was granted to the above-named company; and if so the amount of the loan; the date of the loan approval. If no loan has been made, was there an application? I would appreciate receiving this information at your earliest convenience.

On May 27, 1974, I received a letter from the Ministry of Industry and Tourism, from the minister. It stated very briefly,

Mr. Albert Roy, MPP  
Legislative Assembly,  
Parliament Buildings,  
Queen's Park,  
Toronto, Ont.

Re: Ontario Development Corp. I.C.  
Suatac Ltd.

Dear Albert,

I am writing in reply to your letter dated May 16, 1974. I.C. Suatac Construction Ltd. has not received a loan from EODC nor have we received an application from this firm.



That seems clear enough. I asked if there had been a loan and if there had been no loan had there been an application. The reply is very direct. It said there had been no loan and no application made. I have correspondence here between Mr. Suatac and the minister at about the same time. I want to read the correspondence relating this situation to the members of the committee and to you, Mr. Chairman.

The letter was dated April 17, 1974, which would be about a month before I inquired about I.C. Suatac. This letter is addressed to Mr. I.C. Suatac, president of Suatac Construction Ltd., 30 Jamie Ave., Ottawa, Ont. It states:

Dear Mr. Suatac:

Thank you for your letter dated April 9 regarding your dealings with the Ontario Development Corp. I understand you've had a meeting with Mr. Pillgrem, my deputy minister, when he expressed the position of the ministry and the Ontario Development Corp. I regret I'm unable to take any further action in this regard.

Signed

Yours sincerely, Claude Bennett.

Clearly, you were having dealings with Mr. Suatac at that time. This was in reply to a letter from Mr. Suatac dated April 9, 1974, when he had written to the Hon. Claude Bennett, Minister of Industry and Tourism, and asked about the Ontario Development Corp. and stated very briefly,

We kindly request your intervention into a difference of opinion which has arisen between myself and several staff members of the Ontario Development Corp. As you are aware, all interests in I.C. Suatac Construction Ltd have been assigned to the Ontario Development Corp. as collateral for an outstanding \$500,000 loan. Our company has recently experienced financial difficulties in meeting current debts. I have recently been offered approximately \$200,000 for our office building and land on Jamie Ave. The sale of this property will alleviate current debt problems.

I won't go into all the letter, but clearly you were having correspondence with them, you were dealing with this loan. I've had occasion, Mr. Chairman, to discuss the situation with Mr. Suatac personally.

Possibly what I could do to outline what has happened in this situation is just read a letter that you, Mr. Minister, wrote to Michael Cassidy, MPP, Ottawa Centre, Legislative Assembly, Room 201, North Wing, Parliament Buildings Toronto. Ontario, dated

Feb. 4, 1975. Here you explain exactly what has happened. It states here:

Dear Mike:

I've had the opportunity of inquiring into the questions raised in your letter of Jan. 15, 1975, to Mr. Alan Etchen, managing director of Ontario Development Corp., respecting Suatac Construction of Ottawa.

Contact first was made with Suatac Construction Co. Ltd. in June, 1972, at which time Suatac was inquiring regarding loans to finance the purchase of a concrete pipe manufacturing facility. The company there was called Ottacon Products Ltd., which was then supplying pipe to Suatac. Suatac considered that it was rapidly expanding to the point where it could well utilize manufacturing facilities in order to ensure itself of a continued supply of pipe. This was why it purchased Ottacon Products Ltd.

An assessment of Suatac companies on a consolidated basis, including the pipe company, revealed that they were in a pretty stringent financial situation, which was apparently due to more than normal acquisition of heavy equipment, plus the burden of servicing a debt incurred due to the purchase of the pipe company.

The loan submission was made to the Ontario Development Corp. It was considered by its board in November, 1972, but was declined due to the lack of financial stability. ODC however, was instrumental in obtaining for Suatac certain concessions with finance companies and a bank to alleviate financial pressure for a short time.

Then you go on to say:

Suatac continued to press for financial assistance, and the development corporation retained Bernard L. Yale and Associates to review the company operations, but the result of the study did not support ODC participation. Following the study Suatac retained Yale and Associates as a company auditor.

The Ottacon matter was reopened in April, 1973, and recent financial statements indicated a six month profit. The results were encouraging and a loan submission was again considered by the corporation's board of directors. They approved a bank guarantee of a loan to Ottacon Products, a wholly-owned subsidiary of Suatac Construction Co. Ltd., of \$500,000.

Realizing that there was an extremely high-risk financial arrangement . . . the corporation felt however that with careful

administration of the account and the security held, it was satisfactorily protected.

Then you go on to talk about the problem that Suatac has had with this loan.

I can relate to you what in fact has happened. You were not prepared to lend to Suatac, but you felt that the pipe company had some merit. They incorporated the pipe company, Ottacon and then they borrowed—I think from the Bank of Montreal—\$500,000 and ODC guaranteed that loan.

In fact, at the time I wrote the letter they were in financial difficulties. ODC had moved in on them and seized their assets. But you didn't lose any money on it because of the guarantee of the loan; the bank got the loan money back.

I come back to my point about being misled as a member of this Legislature. You clearly state in your letter in May, at the time, when in fact you were involved in wheeling and dealing—I shouldn't say wheeling and dealing, but when you were involved in heavy pressure from Suatac to sort of lay off, give them a bit of breathing room—at that time you were writing to me and saying that I.C. Suatac Construction Ltd. had not received a loan from ODC. I suppose technically you are right; they haven't really received a loan, you guaranteed the loan. You also said: "Nor have we received an application from this firm." I suggest that you have.

So I put the point to you: Was I misled or not in this situation? What does one conclude from a straight answer like this? I'd like to have your comments.

[9:15]

**Hon. Mr. Bennett:** Very clearly, Mr. Chairman, I did not mislead the member for Ottawa East. You asked if I.C. Suatac Construction Ltd. received a loan—I believe that was the terminology. They did not receive a loan. They never have received a loan. They have never made an application. Ottacon Products Ltd. were the people who made the application for a loan.

**Mr. Roy:** I thought you would start splitting hairs like this.

**Hon. Mr. Bennett:** Mr. Chairman, they are two very distinct companies. Let me add that we went through the Ottacon problem very carefully, to see if we could extend some help. And I can assure the members sitting here today that a fair amount of pressure was brought upon ODC and the minister by local municipalities that required pipe from Ottacon to complete some very large sewer work and water work.

We have never through ODC—nor do the terms of reference allow us to—loaned money to a construction firm. They are not eligible for funds under any of our development loan programmes. Ottacon was eligible because it is a manufacturer of pipe, and because he was buying some new equipment to allow him to get into the manufacturing of some very massive-sized pipe, which would be supplied locally rather than having to be continually brought in from Montreal and from other points outside of Ontario. Quite often they were vulnerable to delivery dates because market conditions were such that pipe was tough to get, so we did get involved with Ottacon Products Ltd., on a \$500,000 bank guarantee. It'll be some time down the road.

**Mr. Roy:** Do you think if you had not guaranteed that loan that they would have obtained the loan? A guarantee from EODC or ODC is just like a loan, isn't it?

**Hon. Mr. Bennett:** The guarantee gives them the credentials to go to the bank to—

**Mr. Roy:** Right, right.

**Hon. Mr. Bennett:**—secure funds. The difference happens to be that under a guarantee he pays the bank. What we consider and what we usually negotiate for is the interest rate.

**Mr. Roy:** And when he got into trouble, ODC moved in.

**Hon. Mr. Bennett:** No, just a moment, Mr. Chairman. Ottacon itself only got into problems for one reason. That was because the way the funds were then transferred from Ottacon to I.C. Suatac Ltd. in the sale of the shares back to Autocon for funds.

**Mr. Roy:** I'm not challenging the merits of what you did as far as Ottacon is concerned, or moving in on them and the way they transferred. What I'm concerned with is the type of letter—not only do you say that there was no loan, but you say that there was no application, and that's clearly wrong.

Your letter to Mike Cassidy of Feb. 4, 1975 indicates that contact was first made with Suatac Construction Ltd. in June 1972. When a further application was made later on, and you finally decided to go with Ottacon, it was not even an incorporated company. The application, in fact, was made by I.C. Suatac Construction Ltd.—the application, I'm talking about.

Subsequently, when you decided to guarantee this loan, they incorporated Ottacon, the pipe company. It was a subsidiary of



I.C. Suatac, and the guarantee was made to the pipe company, and then the money was transferred from the pipe company back up to I.C. Suatac, as you mentioned.

But the application? You state to me that you've never received an application from this firm, and you're dead wrong there. You're dead wrong. Tell me—

**Hon. Mr. Bennett:** My understanding, Mr. Chairman, is that we received the application on behalf of Ottacon Products Ltd. That's who it was received from. We are prepared to review the letter and the whole file. My understanding, and that of the people with me, is that it was Ottacon that made the application. Suatac is one of the principals. We know the deal backwards and forwards.

**Mr. Roy:** It is not obvious that you know the deal backwards and forwards from that letter you sent to me.

The contact was made by Suatac Construction Ltd. in 1972. That's your letter. In June 1972. That's when the contact was first made. There's no mention of that in your letter.

I'll tell you the further application was made in June or July, 1973, and the application was made by I.C. Suatac, because Ottacon Products was not even incorporated at that time. It was incorporated in November, 1973. And it was split from the construction company. That's why I'm suggesting to you that I was misled. Some people wanted certain information on I.C. Suatac and after receiving your letter I said, "You must be wrong, because I've got a letter here from Claude Bennett, and Claude says that there's been no loan, there's not even been an application received from I.C. Suatac."

The point I want to make to you, Mr. Minister, is that when this type of letter is addressed to you from a member of the Legislature, it's important that it be expanded. When you talk about the guarantee of a loan as opposed to a loan, I think you are splitting hairs again; if there had been no guarantee, there would have been no loan.

The other point is that when you state: "Nor have we received an application from this firm," you are dead wrong. There was an application made in 1972 and in June or July of 1973. When the application was made, it was made by I.C. Suatac Construction Ltd. because the pipe firm had not been incorporated. I got this from the president

himself. I am not trying to defend his case. All I am saying is that I was misled here.

**Hon. Mr. Bennett:** Mr. Chairman, far be it from me to try to mislead Mr. Roy or any other member of the House at any time. I am advised by the people from ODC that there was an application received on behalf of a company to be incorporated.

**Mr. Roy:** On behalf of a company to be incorporated. It was received from I.C. Suatac, right? I wish I had the application here; you would see who signed the application. I.C. Suatac made the application on behalf of Ottacon which was going to be incorporated.

**Hon. Mr. Bennett:** I would have to check that information—obviously I don't have it with me—to see exactly who made it. Our people indicate that it was made on behalf of a company being incorporated; it could very well have been in the name of Ottacon, to be incorporated. That has happened on more than one occasion when applications are made to ODC.

It was not my intention to lead you, Mr. Roy, or any of the other members, astray on any of the applications or programmes or loans we happen to make.

**Mr. Roy:** I would hope not, but the reason I am so critical of this letter is that I understand that you, as minister, have a lot of things come across your desk—but this was something from Ottawa. You are a member from the Ottawa area and you know what is going on in the Ottawa area. In fact, you were the boss minister in the Ottawa area around that time. Surely you were aware of I.C. Suatac and the financial difficulties, because he was bugging you and your deputy minister pretty regularly. When you write me a letter as curt and as decisive as this one, I say you are misleading me.

**Hon. Mr. Bennett:** Let me just say to the member for Ottawa East that it was hard for me not to know what was going on in the Ottacon situation. I had the reeve of Gloucester, the chairman of Rockcliffe, the mayor of Ottawa, the reeve of Nepean, the reeves of Goulbourn, Richmond and Stittsville, the chairman of the regional government, and Vanier—every one of them was after us because Ottacon was the supplier of large-sized pipe for sewer projects that were under way in their communities. Their biggest fear, obviously, was that if something should happen that resulted in Ottacon going down, projects would have come to a complete and



shuddering stop and left them in complete disarray.

**Mr. Roy:** All the more reason for not writing this letter, because at the time you wrote this letter, on May 27, 1974, either you were splitting hairs or you were going to pull a fast one on me. From that point on, as I say, I went back to my sources and said to people: "You have got to be wrong. Claude Bennett wouldn't mislead me like that, not openly in a written letter with his signature on it."

**Hon. Mr. Bennett:** There is no reason for me to mislead you and there is no reason for me to hide the facts because you, as a local representative, are as entitled as anyone to know, if the situation should get worse, why it did.

**Mr. Roy:** Well, I will trust it will not happen again—

**Hon. Mr. Bennett:** It hasn't happened yet.

**Mr. Roy:** It has happened this time. Either you are flying in the face of the evidence or you don't want to hear what I am saying. I think it's clear that it has happened at least once. If this letter is not misleading, I don't know what the word "misleading" means.

**Hon. Mr. Bennett:** I can only make one final remark. I.C. Suatac Construction Ltd. to this day has never received a loan or a guarantee from this government through ODC.

**Mr. Roy:** Yes, but you will admit to me that if there was no guarantee, there was no loan. Right? I mean, if you didn't guarantee that loan to the bank, do you think the bank would have loaned that half a million to this company?

**Hon. Mr. Bennett:** I know positively they wouldn't.

**Mr. Roy:** Okay. So you are really splitting hairs. The other thing you cannot say to me here is that I.C. Suatac Construction Ltd. never made an application—and that's what you say in your letter. I say to you that in fact they have made an application on two occasions.

**Hon. Mr. Bennett:** I will check out the last statement, but it is my understanding from the information provided that it was made on behalf of a company being incorporated. The guarantee was given to Ottacon Products Ltd.

**Mr. Wildman:** Mr. Chairman, I have a question regarding the performance loan programme of ODC. I would like to know what the difference is between a performance loan programme and OBIP?

**Hon. Mr. Bennett:** Mr. Chairman, many years ago when the Ontario Development Corp. first came into being, it had a performance loan programme, or forgiveness loan programme. It would make to a company located in a district, area or community that had been approved for industrial development under this special programme, a forgiveable loan for XYZ dollars; that is, if the individual attained the employment growth rate he said he would in his application.

Basically, the content of the application was: "I'm going to establish a firm in Thunder Bay"—or whatever other community it might be—"and I'm going to employ in the first year X people, and up to the fifth year so many." If he achieved the goal that he said he would in the first year, 10 per cent of the loan would be forgiven and so on, up until the fifth year. At the end of the fifth year, that would have been 50 per cent of the loan forgiven.

If at the completion of the sixth year he maintained the record, or bettered it, the balance of the loan was eliminated or completely forgiven.

I have to say to you that when I first became minister it was one of the programmes I said we should eliminate. If a firm cannot stand on its own two feet in that period of time there must be something wrong. I think that conclusion is drawn from looking at some of the situations, federally and provincially, that we have been involved in with this type of a programme. I have to say to Mr. Roy our community was involved in the forgiveness programme but even locally, as a member of council, I didn't agree with it; because at times it stimulated activity, but long-range it was not beneficial to the community.

The programme was replaced with the Ontario Business Incentive Plan, whereby the applicant can make a request for a loan if he happens to be in eastern Ontario, northern Ontario or central southwestern Ontario. There were certain maximum upper limits set for those cases. The board of directors would receive the applications and review them in light of the statistical information they had on the background reports which were made by people within the ministry; and consultant outside the ministry would at times make assessments of the application.

They would determine whether we should or should not be allowing a loan to flow from one of the three corporations. They could recommend to the minister that the interest rate on the loan be a percentage which might be somewhat below market rates of the banks or other lending institutions. Indeed they could say to the minister that in the first one, two, three, four or five years this loan should not require repayment of principal or interest, and that at the conclusion of one of the years they could indicate that the applicant would now start to repay principal and interest at such and such a rate.

That's basically the difference. In other words, it was not to write off the capital funds that we were loaning to a corporation but to try and give those new operations some opportunity to get a cash flow situation into their operation to give them some stability.

**Mr. Wildman:** Okay, if that's the case, then what is the reason for the tremendous increase in the funds for performance loan programmes? According to these figures it seems to me that there is still a lot of disbursement under the performance loan programme.

**Hon. Mr. Bennett:** No, we are in the position now of writing them off. This is your 10 per cent and 50 per cent position.

**Mr. Wildman:** These are for the loans of the programme before?

**Hon. Mr. Bennett:** These are for loans that were made, but they are carried on the books and they have to be written off on an annual basis in the forgiveness period. I would think that in the next two or three years we will likely see the conclusion.

Is that right? In the next two or three years we'll see the final performance loan write-offs taking place?

**Mr. Wildman:** The next five years.

**Hon. Mr. Bennett:** But we're going to see more 50 per cent deals in write-offs.

**Mr. Wildman:** Mr. Chairman, if you will bear with me I will ask a question that relates to one of the other items here. Can you explain why there were funds for a performance loan programme in the ODC and the NODC, but not in the EODC?

**Hon. Mr. Bennett:** Yes, because the EODC wasn't in existence when the performance loan programme was started.

**Mr. Wildman:** Oh I see. Okay.

**Mr. Chairman:** Mr. Smith.

**Mr. R. S. Smith:** I have two or three questions. It's very hard to stay within one, two and three on some of these things because you cross lines.

**Mr. Reid:** Do your best.

**Mr. R. S. Smith:** Yes, I will do my best.

**Mr. Wildman:** Go ahead, cross lines.

[9:30]

**Mr. R. S. Smith:** It depends what you want to cross. First of all, I find since we've had the establishment of the NODC, and the Eastern Ontario Development Corp. as well, that it hasn't really made much difference to the people in northern Ontario. The whole process is still slow. It's still tedious. It still takes months to get an answer from NODC, as it did from ODC. The final actual decision on whether a company is to be granted a loan or not is still made in Toronto by ODC.

If you put all these things together, you find that everything comes down here, where it goes through a process before it goes back up to NODC officials who take their rubber-stamp and put it on—or to the EODC who do the same thing. I just find that the whole question of the Northern Ontario Development Corp. and the Eastern Ontario Development Corp. is rather a façade. In fact, we still have one development corporation operating with one central group of people who are really making the decisions.

To start with, I'm just talking now about the administration of the programmes. The other thing that I find very difficult to understand is the time lag between the first application and either final refusal or acceptance. I've had people going back and forth for two years who are no farther ahead now than they were two years ago. Every time they seem to get some place there is always something else, or it has to go back down to Toronto because something is missing. And it is always sent back because there is something missing. These people actually get fed up and they go some place else. I would like the minister to explain to me what the difference is now in delivery of his service to the people who make application compared to what it was two years ago before the inception of NODC or EDC. This is my first question.

**Hon. Mr. Bennett:** Mr. Chairman, let me just give one or two other pieces of infor-



mation that I should have completed on the previous question.

All loans are now repayable. I think that answers the performance loan question. The performance loan programme went out of existence officially at the end of June, 1973, except that applications that were on hand were dealt with up until Dec. 31, 1973, and at that time the entire programme terminated.

To deal with Mr. Smith's discussion on the programmes in northern Ontario and so on, I make it very clear the administration of the Northern Ontario, Eastern Ontario and Ontario Development Corporations is right here in Toronto. The decisions relating to applications are made here in Toronto by cabinet.

**Mr. R. S. Smith:** The final decisions, yes.

**Hon. Mr. Bennett:** Let me just go one step further. In the Northern Ontario Development Corp. there are 13 people from the northern part of the Province of Ontario, excluding one, who represent the various communities in that part of our province. They deal with the applications based on the information that is brought to them by the local people working for the development corporation across the north part of the province.

The same applies to eastern Ontario. There are 13 people on the eastern Ontario board from across eastern Ontario. They have a staff working in eastern Ontario in various centres who will supply the backup material related to the various applications for loans that they happen to have. They make the determination—not down here in Toronto—as far as recommendations to the minister are concerned. There are certain areas of responsibility that are left entirely at the local level—the volume, the size of loans and so on.

Now as to the time period, nobody gets more upset than I do about the time factor. I have people, such as yourself and others, who have come to me and asked why it has taken so long to process application A, B or C. And it's always the ministry or the ODC that's at fault. Mr. Roy will tell you that lawyers are not the fastest responding people when they have a case that sometimes gives them some difficulties to process.

**Mr. Roy:** They respond accurately.

**Hon. Mr. Bennett:** That might be so, but I was speaking about a time factor, about lawyers and accountants and time factors.

**Mr. Roy:** They are very slow. You are right there; we agree.

**Hon. Mr. Bennett:** The fee is paid on a daily basis. The longer it sits on the desk—

**Mr. Roy:** An hourly basis.

**Hon. Mr. Bennett:** An hourly basis, I see. Anyway, what we often find, and I say this in seriousness—

**Mr. R. S. Smith:** It is a good thing government people aren't sometimes paid that way or they would starve to death.

**Hon. Mr. Bennett:** I won't try to respond to that one because we might get involved as politicians and that would also be difficult.

Let's say that we are not completely faultless or blameless in some delays in the processing of an application because we didn't get around to it as quickly as we should. We are. The fact remains, however, that in most of the applications that I have reviewed as a result of time factors involved—the delays—I have found that in the period of time you speak of, one or two years, the chartered accountant or the lawyer or a bank or someone else is going to ask for some input.

The applicant is the one we communicate with. Perhaps the applicant didn't respond in a relatively short period of time. We have a follow-up, a 30- to 45-day follow-up, to find why this information hasn't come back to us. We go on and on. If you have a specific one, I am prepared to analyse the file for you. But I can say this, that in most of the files that I have gone through, when I have had complaints from the members, I find very clearly that it is because of the input to us. Surely to goodness, you don't want a decision based strictly on someone's say so.

**Mr. R. S. Smith:** I will just tell you how your programme works.

**Hon. Mr. Bennett:** I have a fair idea how it works.

**Mr. R. S. Smith:** I don't think you do, to be quite frank. The application is taken by your office, say, in northeastern Ontario, which I am familiar with, either in Sudbury or in Timmins. They put all the things together. It is then sent down to Toronto, which you fail to recognize and which you must recognize, and a group of people here make the decision as to whether it will be recommended to NODC or not. In fact, the decision to recommend is made in Toronto, not in northern Ontario nor by NODC nor by any direct employees of NODC in north-



eastern Ontario. That is where you misdirect me and that is where you are wrong.

It then goes back to NODC and they decide on the recommendations of the group in Toronto. I know because I have had these things stuck in Toronto and I have dealt with your people in Toronto on them on a number of occasions. I have gone back and forth with them on it to get it out of here finally and back to NODC so they can look at it and put their stamp of approval on it. It comes back down here to ODC, goes from ODC to you, then to the cabinet and then it is finally approved. But the major approvals are not done in northern Ontario nor in eastern Ontario. For you to indicate that to me is to indicate something that is just not so. The facts are that the two major areas of decision are both right here and they are not anywhere near northern Ontario nor anywhere near eastern Ontario.

**Hon. Mr. Bennett:** Mr. Chairman, I cannot be any more emphatic about it than that the NODC board of directors are the people that offer us a recommendation either for supporting or declining an application.

**Mr. R. S. Smith:** Based on the recommendations of your people.

**Hon. Mr. Bennett:** The recommendations coming from employees of the Northern Ontario Development Corp. Keep that very clearly in mind. People have asked, why don't we set up a full administration office in northern and eastern Ontario. Well, it is not logical. The accounting has to be done, as far as I am concerned, at a central point. There is no sense in having three staffs to do this type of function. The administration of the disbursement of funds can be done through a central point right here in Toronto.

**Mr. R. S. Smith:** You are talking about more than the administration of the disbursement of funds. You are talking about the approval of that group in Toronto before it goes back to NODC, and they are more than just an administrative group that distributes funds. They make decisions on whether that application should be approved or not.

**Hon. Mr. Bennett:** No, they don't make decisions. Very clearly the staff has the right to input. The decision—that is, to make a recommendation favourably or otherwise—is left with the board of NODC, EODC or ODC, which represents central and south-western Ontario.

**Mr. R. S. Smith:** On the advice of the group in Toronto who first go over the whole thing.

**Hon. Mr. Bennett:** On the advice of the Northern Ontario Development Corp. employees who are in the field doing an assessment of the application.

**Mr. Reid:** That is a problem too.

**Mr. R. S. Smith:** But where are they?

**Hon. Mr. Bennett:** Where are they?

**Mr. R. S. Smith:** Where are they actually situated?

**Hon. Mr. Bennett:** In Sudbury and Timmins.

**Mr. R. S. Smith:** Those people do nothing but collect facts and send them down here.

**Hon. Mr. Bennett:** That is input, I would think.

**Mr. R. S. Smith:** That is all they do is collect facts. They don't make decisions, and they—

**Hon. Mr. Bennett:** I should go one step further to say that our industrial development officers have a part to play in the assessment of the application as to whether or not it can function in that community and whether the investment is well made on behalf of Ontario.

**Mr. R. S. Smith:** Well I should hope—

**Hon. Mr. Bennett:** They also do the—

**Mr. R. S. Smith:** —they would have some input at the start. The point is that the major decision-making powers are still at the ODC head office. Whether you like it or not, that's the way it is. After that, the secondary powers to approve or disapprove are within your office and the cabinet. The NODC board really, in effect, meets and goes over the recommendations of the group in Toronto that assesses the application and sends along the assessment to them.

**Hon. Mr. Bennett:** I won't deny that the employee will make recommendations.

**Mr. R. S. Smith:** Now we are getting someplace. We have come a long way in 10 minutes.

**Hon. Mr. Bennett:** Just a minute. Obviously there has been input. They will try to use their basic logic on whether it's economically viable. They make recommendations, but there is nothing binding on the NODC or ODC boards not to make a move in the opposition direction; absolutely not. There is no case—

**Mr. R. S. Smith:** I am not saying there is.

**Hon. Mr. Bennett:** There is no case declined, other than by the board. They might recommend; ODC and NODC and EODC people might recommend that the case is not favourable for one reason or another.

**Mr. Reid:** Could I interrupt there? I have been told, Mr. Minister—

**Mr. Chairman:** I am sorry. Mr. Smith has the floor.

**Mr. Reid:** Will you yield, Mr. Smith?

**Mr. Chairman:** Mr. Smith has the floor.

**Mr. R. S. Smith:** I will yield as long as it is coming back to me.

**Mr. Reid:** Yes.

**Mr. Chairman:** Order, please. I have quite a few people who wish to speak.

**Mr. Reid:** Well I am on this point you see, Mr. Chairman.

**Mr. Chairman:** If you would like me to add your name, I certainly will in due course. Mr. Smith.

**Mr. R. S. Smith:** I am not finished here. I have hardly started.

**Mr. Roy:** On a point of order, Mr. Chairman. When we are dealing specifically with a point—like Mr. Smith trying to decipher the difference between Ontario Development Corp., Northern Ontario Development Corp. and Eastern Ontario Development Corp.—on a specific point like this are you saying that we should, if we have any input on that, wait down the line? If we have a comment to make on that issue—just on that specific issue—could we put it in now?

**Mr. Chairman:** The committee really agreed that we should work on this item by item, but then Mr. Smith said he wanted to really discuss the—

**Mr. R. S. Smith:** The whole area involved.

**Mr. Chairman:** Right, they are all involved.

**Mr. R. S. Smith:** I can't talk about it unless I can talk about all three.

**Mr. Chairman:** There are a great number of people who wish to speak and I am sure, since it is so closely related, that they all really want to speak on very similar subjects. So with the committee's indulgence, I would

like to call them in order as they say they wish to speak. Mr. Smith.

**Mr. R. S. Smith:** I am not going to carry this much farther because I think I have made my point. Whether the minister agrees with me or not, I still believe that the decision-making power is nowhere near northern Ontario or eastern Ontario. It's right here and nobody is going to make me believe differently, particularly when it becomes more evident as we go along.

**Mr. Roy:** I don't see why.  
[9:45]

**Mr. R. S. Smith:** The other thing that really bothers me bothers me from a very parochial point of view. I live in a district that has about 70,000 people in it. We have no NODC office in that district. There is a district south of me that has 40,000 or 45,000 and there's a district north of me that has 34,000 or 36,000 or something in that line.

We are served out of Timmins, which is 220 miles north of us rather than out of Sudbury, which is 80 miles west of us. It is almost ridiculous and ludicrous to even think about it but this is, in fact, the case. Since the establishment of that office in Timmins, I have been asking from time to time, sometimes much more strongly than others, that a period of time each month be set aside to service our area, say the second and fourth Tuesday, or the first and third Monday; something very simple like that. In the past three years I have not been able to get it through the heads of the people within this ministry that this is almost essential.

We're talking about perhaps 140,000 people who are being serviced in the same way that my area is being serviced—on a hit-and-miss, stupidity basis. I can't put it any other way; I've tried every other way and it just doesn't work out that it gets through to anybody. After going through this for the past three years, my patience has almost come to an end.

About three weeks or a month ago I talked to somebody down here, because there was no point in talking to anybody up there; they don't make any decisions up there anyway. This fellow in the Toronto office says to me, "I'll get back to you in a week, and we will have something like this set up." Well, he didn't get back to me in a week; in fact, he hasn't gotten back to me yet. But yesterday a letter, delivered by CNR Express, arrived at my home—my wife told me this on the phone—and it sets the date for November, December and January. This is a great improvement,



except that the dates are different for every month. So everybody is going to be as confused as ever, except that they're going to get it three months ahead. The only difference is that now we know three months ahead.

In November we're going to have a person from NODC call upon us and sit in an office in North Bay to listen to people who want to see him; we'll be there on the 14th, the 27th and the 28th. In December we're going to be very lucky; we're going to have one day, Dec. 12, which is very nice. It's a good thing it's near Christmas, or we might not even have got that day. In January we're going to have the 16th, the 29th and the 30th. There is absolutely no connection between those dates, other than the fact that they all are in the same calendar.

Why is it, with an administrative body such as this and in such a simple thing, you could not say that on the first and third Monday or the second and fourth Tuesday, or something like that, we're going to have a man in North Bay and he's going to be in an office that belongs to our ministry? You don't even have him in your own office in North Bay. You have him in the northern affairs office—in a hotel actually; he operates out of a hotel. I don't know why he can't be in the Industry and Tourism office, other than the fact that the people don't get along or they fight or something. But he operates out of a room in a hotel—

**Mr. Angus:** Even in Thunder Bay they have an office.

**Mr. R. S. Smith:** It's hard to believe, but it has taken me three years to get to the point where I now have had delivered—while these estimates are on, I might say; almost intentionally, I presume—the dates for November, December and January, which have no connection whatsoever. I would ask you, Mr. Minister, just as an administrative regularity—not as an irregularity but as an administrative regularity—whether some semblance of order could be brought to the times that people can see these guys. Or is it factual that they don't want to see the people? After three years it's got to be something.

**Hon. Mr. Bennett:** Mr. Chairman, I accept the member for Nipissing's recommendation. I'll look into it. I will have to go back and check my files to see whether there has been such a request made to me. I'm not sure there has been.

**Mr. R. S. Smith:** I brought it to your attention in these estimates either last year or the year before.

**Hon. Mr. Bennett:** I shall look and see, sir. The suggestion you make seems to be logical. The other thing is that the dates they have selected to be in A, B or C community would be advertised so that people interested in making applications, or in securing information relating to development corporation loans, could make arrangements to visit at a particular time.

As for your suggestion about the first and third Monday, if it's possible, we'll certainly see if we can arrange it. I just hope that you'll appreciate that the programme we set up—while I'm the first one to admit that these are days of economic constraint and economic difficulties—it might be very advisable to have more people in this ministry out pounding doors and going through the field to find industries to help them develop a stronger base and, indeed, with the financial world. I was speaking with one or two members in the last few days about financing. There are more people coming to us at this time requesting financial assistance, either from the point of advice or the point of actual loans, in order to maintain the firm rather than to try to develop it because of cash flows and so on.

But I will take your suggestion under advisement.

**Mr. R. S. Smith:** But I am talking service to 100-and-some-thousand people. There are two people up in that Timmins office, plus the secretarial staff, and they service Timmins and north. For the three ridings to the south I presume they have about four or five days, because these days, as I understand it, you also include the time that is spent in Parry Sound, which is also included as a part of NODC. I find it very difficult to understand. Where the industrial growth is, you have the least amount of service. In fact your service is so negligible that I don't think you are taking your fair part in industrial growth.

The other question that I have—and this will be my final question—is that in the mini-budget there was a change that has not been too well publicized. That is the fact that there will be no loans made to one single company of more than \$1 million. Is that correct?

**Hon. Mr. Bennett:** Half a million.

**Mr. R. S. Smith:** Half a million? Regardless of how successful the company is or how many jobs it creates, or how good a job it does, it can't get a loan. Another company over here can be the poorest risk in



the world and it can qualify for a loan, under that section at least. Here you have a company that's proven that it will create jobs, that it is successful, and that it can do what your programme is set out to do, and because it has borrowed \$501,000 previously it is cut off and there is no way it can get any more money. I find that a little hard to understand.

**Hon. Mr. Bennett:** May I make one point very clear before we get too far off base on the situation? That is that the development corporation is established as the lender of last resort in the field of industrial development.

**Mr. R. S. Smith:** It isn't that any more.

**Hon. Mr. Bennett:** We have tried to maintain that position, because if we did not—let me just assure the members sitting here—the \$90 million we are asking for would only be a fraction of what would be required in applications from companies that come in here. Some of them have a balance sheet that would shame a great number of people looking for government assistance, and I am not going to say they shouldn't do it. What the heck, if they think there is a possibility they might secure it from us or from the federal government, they are going to try.

We are the lender of last resort and the point you raised is one that has been raised constantly. In other words, successful companies do not really get a creditable position with the development corporation and its funds, which is partially true. I say partially true because there are some programmes they can take advantage of. I am thinking of one—the export credit programme—whereby if they are exporting outside the country they can borrow up to more than \$500,000, but not on any one shipment or direct shipment. But in the OBIP loan programme and so on, we have kept it as the lender of last resort to the greatest degree possible. There are times that members from all sides of the House will come to me and make a special case, saying that the individual cannot secure outside funds. His financial statement would appear to be one that would seem to justify reasons why the private sector should be involved, but because of its location or some of the other vulnerabilities that happen to be located in the marketplace of the day they can't get it. Overall, to the company then, we do appear as the lender of last resort.

I have also made some limitations where an excessive interest rate is being requested,

that we can virtually make ourselves the lender of last resort. If a man is being booked for 14, 15 or 16 per cent, I think he is into a money market situation that is not logical for him to maintain a viable operation.

**Mr. R. S. Smith:** The only other question I have is whether there is any consideration being given by the ministry to taking an equity position in some of these companies as well as, or in lieu of, a straight loan?

**Hon. Mr. Bennett:** We've been discussing with a number of people what might be a beneficial way, particularly in the light of market situations today. While the balance sheet makes some companies look very solvent from a cash flow position, an ability to go and raise funds on the open market is just not possible. We've been discussing with some people within the ministry and in the financial sectors of the government, ways that we might become involved in something more than just a straight loan. There have been some proposals or suggestions made to us and they all have difficulties.

We want to be careful that we are not looked upon as trying to take advantage of an individual in a day of difficulty; when you've got him behind the eight-ball because of his inability to raise funds, the government is now saying, "Oh we'll loan it to you, but we want A, B, C in return for it." That can also kill some degree of incentive in the industry.

We are looking at the position of equity, but we have come to no firm decision on it. I say there are a number of alternatives that could be applied.

We are also, I might say, looking again at the ceiling of loans, and I would appreciate some expression of opinion here right now if the members believe that the \$500,000 is a sum of money that would appear realistic in the inflationary period we are going through and the rapid rise in the cost of machinery and capital investments in plants and so on. We've got ourselves into an interest rate position where we've got to declare that the interest rate on certain loans will be a percentage down or a percentage and a half down from what was the borrowing position of the Province of Ontario at the end of the preceding quarter. We must try to find some credible position on an interest programme. That does not apply, I might say, to the OBIP programme but it does apply to most of the other programmes.

The export loan programme is a very interesting one, because we are not the only government that has export loans. I think every gov-

ernment in the world pretty well has an export loan programme, and the interest rate that's charged by government, whether it be at the federal or provincial or state levels, has basically been set on a standard position of about 6½ per cent; in recent days it has gone to about 8½ per cent on an international basis. That's so that companies that are in the export world and have a chance of getting export markets do not find the interest rate is the deterrent factor in placing their goods for sale on an export position.

**Mr. R. S. Smith:** Okay. I really don't want to keep going, but it is very difficult to stop. I just have one other question. I might as well ask it and then I'll be finished. This is the third "one other question."

**Interjections.**

**Mr. Mancini:** You fellows are just jealous.

**Mr. R. S. Smith:** Yes. Have your corporations, any of them or all three of them, looked at the question of saving jobs as well as creating jobs? Therein lies a great problem that's arisen perhaps more so in the last 18 months than previously, and it is a major question, particularly where we see shut-downs where infusions of funds may well save those jobs, but because of your legislation and because of the way you are set up you can't get into that. As far as I'm concerned, 15 jobs or 20 jobs saved are just as valuable as 20 jobs created.

**Hon. Mr. Bennett:** We know this. It takes about \$20,000 to create a new employment position in this province. So when people come in and say, "I'm going to shut down because of lack of funds," in certain areas we try to look at it and see what it would amount to per job. Obviously you are right when you refer to the last 18 months; I would be more specific and say the pressures have mounted in the last eight months—

**Mr. R. S. Smith:** Yes.

**Hon. Mr. Bennett:** —to have government financial assistance poured into companies to maintain an employment position that presently exists. We have been looking at those opportunities and under the term of loans, some of the industrial mortgage loans, we've been able to assist in some cases. They are very difficult and I hope that members of the House will appreciate that they are real risks.

You are talking about a lender of last resort, taking a real risk. These cases usually possess the greatest risk, because by the time we have the opportunity to come in

to assist, the bank or somebody else has all of the assets tied up and we are going in virtually on 100-per-cent-risk dollars, with very little to hang our hat on if things don't go right financially within the firm.

**Mr. R. S. Smith:** That may be one position where you should look at equity.  
[10:00]

**Hon. Mr. Bennett:** To answer that, that's the unfortunate part. To take an equity position in the company puts us in an even more vulnerable position once again because all the assets are tied up by the bank or by some other loaning institution or the federal government through its small business programme.

**Mr. R. S. Smith:** Yes, but you take your equity position "if", and on the basis "that".

**Hon. Mr. Bennett:** Right.

**Mr. Samis:** Can I speak to a point of order, Mr. Chairman?

**Mr. Chairman:** Yes.

**Mr. Samis:** I would like to ask the chairman for guidance or advice. In view of the expressed desire, I think, of all three House leaders to wind up the estimates tonight at 10:30—I think you have six speakers for item 1 and two more items beyond that—could I ask the Chair if it is his opinion that he will strive to end tonight or will we look forward to the prospect of renewing sittings on Thursday, in view of the obvious time problem faced?

**Mr. Eakins:** Continue and try to finish this evening.

**Mr. Chairman:** I don't think it's the duty of the chairman to say when we should complete. I think it's up to the members of the committee. I would have to say that on the order paper on Thursday, it will show 11 days to complete three other ministry estimates and it is up to this committee. I might say at this time I believe the minister has consented to an extra 15 minutes from the Friday session so if the members feel they want to complete this estimate tonight, we might be able to go until a quarter to 11. It will be up to the members.

**Mr. Eakins:** Let's try to complete them tonight if we can.

**Mr. Samis:** In view of the fact we gave him 15 minutes on Friday, I think it would be fair.

**Hon. Mr. Bennett:** That's right. I saw a certain degree of anxiousness by everybody over that 15 minutes.

**Mr. Samis:** Especially when we got on to Dalton Camp.

**Mr. Johnson:** I will try to be brief, due to the late hour. I would like to suggest that we set up a WODC, that's Western Ontario Development Corp., since we have eastern and northern and everybody seems to be concerned with their regional problems tonight. I would like to point out that western Ontario also has some problems.

There are isolated pockets of unemployment and these areas need as much assistance as those in the north or the east. If there is \$32 million set aside for the Ontario Development Corp., \$24 million for Northern Ontario, \$19 million for Eastern Ontario, it breaks down to about 45 per cent, 33 per cent and 22 per cent.

Surely there should be some money set aside for western Ontario development. I realize there is some but are there equal amounts in comparison to the need?

**Hon. Mr. Bennett:** The estimates are predicated on what we anticipate as being applications under the programmes we have coming from central southwestern Ontario. We have these funds allocated and I trust the members will appreciate why the funds are allocated at 32, 24 and 19 per cent. If it happens that, for example, it takes \$24 million to accomplish the work in eastern Ontario and it doesn't take as much in central or northern Ontario, there is the ability to swing those funds back and forth between the three corporations. It is flexible and is permitted.

As to a Western Ontario Development Corp., I have to admit it is the first time anyone has ever broached the subject to me or the ministry as far as I know. Again, I would look at it. I think the representation we have on the present ODC board indicates a western Ontario flavour.

**Mr. Johnson:** What does ODC encompass? All areas with the exception of northern and eastern Ontario?

**Hon. Mr. Bennett:** Yes. Coming west from Belleville and south from Parry Sound which includes, of course, as you can see, Toronto, London, Hamilton, Windsor, and communities of that sort; the Niagara Peninsula.

**Mr. Chairman:** Anything further, Mr. Johnson?

**Mr. Johnson:** No, it was just a suggestion that we do need as much assistance as they do in some of these other areas.

**Mr. Angus:** In the Development Corporation Act, 1973, in my assessment of it, one of the items gives the Ministry of Industry and Tourism the option—to consolidate it under one word—of buying into a company or buying shares in terms of equity. While I realize the minister has talked about that in his comments to the member for Nipissing (Mr. Smith), I am wondering if at any time in the history of the ODC or any of its "children," if you want to call them that, if this option has been exercised.

**Hon. Mr. Bennett:** If I understand what you are getting at, there is no provision for buying stock in a company. Is that what you are asking?

**Mr. Angus:** Basically, yes, maybe I am not interpreting it correctly.

**Hon. Mr. Bennett:** Have we ever taken over a company?

**Mr. Angus:** No, not that. I am thinking in terms of buying a portion of a company. The Act seems to suggest that it is possible.

**Hon. Mr. Bennett:** It is possible under our Act? I think what you are referring to is the Ontario Development Corporations Act?

**Mr. Angus:** Yes.

**Hon. Mr. Bennett:** It has not been government policy to this point.

**Mr. Angus:** If it has been government policy not to—why was the item ever included in the Act?

**Hon. Mr. Bennett:** I guess it gives you the opportunity or the option at some later date to make a change.

**Mr. Angus:** That is interesting thinking.

**Hon. Mr. Bennett:** That flexibility is great to have if an occasion should arise.

**Mr. Angus:** I agree. It is just—

**Hon. Mr. Bennett:** It doesn't sound like the philosophy of a Tory party; I agree.

**Mr. Samis:** Solidarity.

**Hon. Mr. Bennett:** No comment.

**Mr. Wildman:** I would like to point out that I come from a wealthy area, which includes Blind River. I think that the NODC should really re-emphasize its role in that area to try



and maintain the great wealth of Blind River. I understand that there is no provision for re-financing of a company that has financial problems. That is not within the terms of reference, is it?

**Hon. Mr. Bennett:** That's correct. In other words, if the company wants to rewrite a mortgage which we don't hold at present or—

**Mr. Wildman:** That's right.

**Hon. Mr. Bennett:** Let me try to make that quite clear. If a company with an ODC loan is having some financial difficulties, we are prepared in many cases to defer payments to allow them if possible to get into some credible position in the community. If the AYZ trust company happens to have a mortgage and is running into financial difficulties in keeping the mortgage current, and there is going to be a foreclosure on it, we will not rewrite the mortgage. We will not come in and rewrite someone else's debt, because you can appreciate the run we would have on the marketplace.

**Mr. Wildman:** You mentioned earlier that you hoped to maintain the position of NODC or ODC as being the lender of last resort. But in the Ontario Development Corp. summary you tabled, a number of printing firms have received loans at zero per cent interest.

**Hon. Mr. Bennett:** Which firms are you referring to, may I ask?

**Mr. Wildman:** A. M. Hakkert Ltd., Spadina Cres., Toronto, is the first one. There's quite a number. I think Clarke Irwin is another.

**Hon. Mr. Bennett:** May I just say that those are firms in the book publishing industry. They pay the bank interest. They don't pay it to us.

**Mr. Wildman:** Could you explain just briefly what determines the amount of interest charged on an ODC loan and the term of payment—the number of years over which the loan is to be paid? There's quite a range here. It seems to go all the way from 6½ to 10¼ per cent.

**Hon. Mr. Bennett:** I'll answer it in one general statement. For example, I feel the tourist industry still needs a great deal of help, because there are very few people in the private sector that I can find who are prepared to invest money in resort and tour-

ist operations in areas away from major centres. Operating costs for some tourist developments are very high—and they couldn't get funds. We wanted to encourage them to upgrade and improve the facilities so accommodations would be first class, as indicated in some of the publications we put out. To do that and to stimulate activity, we came to the decision that a 6½ per cent interest rate would motivate people in that industry to make use of the funds and do as we've requested.

I haven't got the exact figure but I think in the first two years of the tourist development loan programme there might have been a total of \$2 million or \$3 million loaned in that field right across the province. Since we implemented the new programme, which was just over a year ago, I think the funds in the current year of operations would be \$22 million, and it's gone at about 6½ per cent.

That interest rate was adjusted six months ago to keep more in line with the current market position. On the others, the boards of directors of the corporations look at the credibility of the company and the ability to earn and recommend to the minister that under the OBIP plan the interest rate should be a certain percentage and the period of time should be X number of years. We try to rely on those people who have some familiarity with the community into which the industry is going, and the overall programme of the company so it may stay viable with this type of assistance.

**Mr. Wildman:** Looking at the figures here, it bears out what you said regarding tourism. Tourism seems to be getting the lowest interest rate. Is it correct then to assume that the firms which are having to pay the higher interest rate, are usually secondary manufacturing industries; is that right?

**Mr. Joyce:** We changed rates in October, and then we went onto the formula April 1.

**Hon. Mr. Bennett:** Mr. Joyce can maybe give you a more complete answer. I should point out that the export support loan programme was at 6½ per cent for a long period of time.

**Mr. Joyce:** As the committee may know, interest rates rose very sharply during the first part of 1974 while our rates were fixed at a fairly low level—six per cent for tourist, 6½ for export support and eight for our general term loans. This caused an avalanche of applications from companies that couldn't borrow elsewhere at our very low rate. As a

result, the government changed our rates upwards on the recommendation of the board of directors of the ODC on Oct. 2, 1974. But we said that we would process all applications on hand as at that date at the old rates, which we did. On Oct. 2 rates for terms loans went up to 10½ per cent, for export support to nine, and for tourist loans to 8½.

The Management Board of Cabinet and ourselves and Treasury then proceeded to study the question of rates because our own board felt that our rate should get tied somehow or other to market rates and we should have the ability to move these rates a little more quickly in response to market changes. It was decided that we would set a base rate two points above the province's ten-year borrowing rate to be adjusted quarterly. That took effect April 1, 1975 and has been adjusted quarterly since.

**Mr. Wildman:** Would it be the case then that you are now offering loans at approximately 12 per cent to manufacturing?

**Mr. Joyce:** That is right. The term loans as of Oct. 1 went up to 12¼ per cent, export support loans 10¾ and tourist loans, 10¼. I might say, 10¼ per cent is Treasury's 10-year borrowing rate.

**Mr. Wildman:** Now just one final question in regard to rates. If a tourist company is in a situation where they are having to pay very high interest on a loan in the private sector, is there any possibility at all of getting aid for refinancing? None at all, is that right?

**Mr. Joyce:** No, there is no chance. There is no money in refinancing.

**Mr. Wildman:** All right.

**Mr. Joyce:** If I may answer the other half of your other question. The term of repayment is set by the circumstances of the company and is discussed with the company.

**Mr. Wildman:** All right; thank you.

**Mr. Chairman:** Mr. Williams.

**Mr. Williams:** Mr. Chairman, I am trying to relate in the estimates the three items totalling some \$76 millions, under what I assume are statutory appropriations, to the amount of \$15.5 million to be voted. What is the interrelationship here between these figures? How was the statutory appropriation arrived at and why is that segregated from the other that we are being asked to vote upon today? Why weren't they incorporated in the original appropriations, the \$15.5 million? I

don't clearly understand the interrelationship here.

[10:15]

**Mr. Joyce:** If I may reply to that, the statutory appropriation relates to term loan programmes and represents all repayable loans. The \$75 million was arrived at by our estimate of the amount of money which we would require this year to meet our commitments for loans made this year and in previous years. You must remember that at the end of last year we had approved commitments of \$74 million which had not been drawn down. It was estimated that about \$50 million of that \$74 million would be required during this current fiscal year. The other \$25 million would be required to meet loans approved during the current fiscal year.

The amount to be voted, the \$15.55 million, consists of three amounts. It's broken down by corporation there. If I may break it down by purpose, it includes operating expenses of \$4.5 million; loan forgiveness and guarantees of \$8.58 million—that's for the old forgivable loan programme and where we have to meet write-offs on guarantees—and the performance loan programme of \$2.47 million which will clean that up. That programme will be cleaned up by March 31. We won't require quite all that amount of money for it.

**Mr. Williams:** Then if I might, Mr. Chairman, wherever you are—are you the acting chairman? I'm sorry, Mr. Samis.

**Hon. Mr. Bennett:** He's the vice-chairman now, chairman of vice, that is, after 10:30.

**Mr. Williams:** Turning, if I might, to the review and the comparative statement of loan approvals. I'm now trying to relate that. Have you a copy there, Mr. Joyce? It's page 43. I'm trying to relate the total figures here to our estimates. The \$16-million estimate appears to relate to the second column. Is that correct?

**Mr. Joyce:** I don't think you can relate this table to that. This is a table of approvals. The estimates is a table of cash required to meet the commitments as a result of the approvals.

**Mr. Williams:** There is no interrelationship at all in fact.

**Mr. Joyce:** No.

**Mr. Williams:** We were talking about the OBIP loan programme. In looking at the introductory statement in the review as to the

fact that moneys this year were restricted to guaranteeing loans through the chartered banks, which of these columns relates to those guarantees through chartered banks? Are these all covered through bank loans?

**Mr. Joyce:** May I correct that? It refers to the financing activity of ODA—that is, our predecessor organization, the old Ontario Development Agency—which was in operation, I think, from 1963 to 1966. It had power only to guarantee bank loans to corporations. The corporation was formed on June 6, 1966. Since then, it's had the power either to make direct loans or to do it through bank guarantees. I'm reading the paragraph.

**Mr. Williams:** That's right. From the way I had read it, it related to this year's activities.

**Mr. Joyce:** No, it's the old ODA.

**Mr. Williams:** I think that's where I was confused to some extent. With regard to the OBIP loans, we're talking about approvals approaching \$29 million. Are those loans that are made available through Ontario Development Corp.? I assume they are because there are no longer the guaranteed bank loans. Is that correct?

**Mr. Joyce:** That's right. They are actual funds paid out.

**Mr. Williams:** Through what sources does the ODC raise its funds? Is it through general bond issues put out by the Ontario government or is it done independently of the general bond issues?

**Mr. Joyce:** It is independent of general bond issues. We obtain the money directly from the Treasury as required.

**Mr. Williams:** But not in the name of ODC—

**Mr. Joyce:** Yes.

**Mr. Williams:** —it is Province of Ontario loans of which we have an apportioning, do we?

**Mr. Joyce:** If I may explain. We borrow from the Treasury, and issue our note. I think we issue a note, don't we, to the Treasury, indicating our indebtedness to the Treasury? The Treasurer then has the responsibility of raising the money. We either get it from cash on hand or as the proceeds of a bond issue.

**Mr. Williams:** At what rates do we borrow the money from Treasury? Do we do it on an arm's-length transaction basis of paying the—

**Mr. Joyce:** At the moment we borrow at their going rate.

**Mr. Williams:** —prevailing interest rate?

**Mr. Joyce:** Yes.

**Mr. Williams:** Using the bank prime rate as the base, or is it below the bank's prime rate?

**Mr. Joyce:** No, it is below. I think it is the Treasury's going rate, and it doesn't necessarily bear any relation to the bank prime rate.

**Mr. Williams:** Just one last question. Coming back to the comparative statement of loan approvals: Could you elaborate upon the end column, under the general heading of "other types of loan approvals"? Outside of export support, tourist and OBIP loans and independent mortgage loans, what does that in fact represent? To what type of loan would that relate?

**Mr. Joyce:** There would be small business loans, there would be venture capital loans, and there would be anti-pollution loans. I think industrial mortgage is listed here.

**Mr. Williams:** The venture loans—

**Mr. Joyce:** Venture capital loans.

**Mr. Williams:** Venture capital loans are categorized in what way?

**Mr. Joyce:** These are to try to bring new inventions on the market when they have been brought to the stage where we feel they are saleable, or where the ministry feels they are saleable.

**Mr. Williams:** I see.

**Mr. Joyce:** The loan is limited to \$100,000. It is to introduce new technology into the industrial field and allow them to establish markets.

**Mr. Williams:** I see. Thank you.

**Mr. Eakins:** Just a couple of quick questions, Mr. Minister. There was some publicity given to the problems of Canadian Worcester Controls wanting to move from Scarborough to Peterborough. Was there not some way that they could have been encouraged to locate in Peterborough when they want to move from Scarborough?



**Hon. Mr. Bennett:** Yes. I think, Mr. Eakins, if you check carefully you will find that when they came to us for a development by OBIP loan we granted them the OBIP loan on conditions. Conditions usually come about as a result of negotiations between the applicant and the development corporation people. We had the conditions agreed to and then I understand the firm felt that they had misunderstood. I am not sure how that can happen after the hours that are spent in negotiations. It was clear that for the \$1 million we put up, we were expecting them to put another \$1 million of their capital into the fund as well.

**Mr. Eakins:** Right. The last question, to end on a happy note, and in memory of Mr. Sargent. Since I am a new member, could you tell me what is the future of Maple Mountain and Minaki Lodge? I understand the Maple Mountain project is dead. How much money has been spent to date on that?

**Hon. Mr. Bennett:** On Maple Mountain, in the range of \$100,000, to produce reports—physical background, geographic conditions, soil conditions and things of that nature. Maple Mountain does not come under ODC in any way, shape or form. It never was intended to come under it. At the moment, because of some cloud on title, or at least a legal action, it is pending.

**Mr. Eakins:** That is Maple Mountain.

**Hon. Mr. Bennett:** That is correct.

**Mr. R. S. Smith:** It is dead.

**Hon. Mr. Bennett:** I would say—

**Mr. Eakins:** It is a dead issue.

**Hon. Mr. Bennett:** Mr. Smith, I would think the terminology used by you is likely right.

**Mr. Roy:** I tell you, it hurts old Ed Havrot, doesn't it? It really hurt his feelings.

**Hon. Mr. Bennett:** Mr. Eakin had another question.

**Mr. Eakins:** Minaki Lodge?

**Hon. Mr. Bennett:** Minaki Lodge is today owned 100 per cent by the government of Ontario. The ownership is in the name of the Crown.

**Mr. Eakins:** I understand that the former owner is still employed there.

**Hon. Mr. Bennett:** The former owner is on a consulting fee with us for advice and guidance in some of the areas relating to some of the programmes and conditions that exist at Minaki.

**Mr. Eakins:** What about the money that's invested in it? Is it going to open? Or what's going to happen to it?

**Hon. Mr. Bennett:** I believe Minaki will reopen; not only do I believe it, I know it will reopen. It will take a fairly large expenditure of funds. Still, Mr. Eakins, to be honest with you, I think it's going to be an opportunity to develop and to continue progress in the tourist field in northwestern Ontario.

There are many who question whether it was a good or bad investment, but I can assure you that after many hours of debate and soul-searching by the minister and others, it was determined that we should proceed with it. I suppose the best thing we can say about it is that at least the operation is 100 per cent back in Canadian hands today.

**Mr. Eakins:** That's all from me.

**Mr. Conway:** I have one or two questions with regard to EODC. Just going through the list of loans and guarantees—

**Mr. Wildman:** We have completed that.

**Mr. Conway:** Well, I thought we were doing the three of them roughly at the same time.

**Mr. Angus:** Only as they referred to all three.

**Mr. Samis:** We get the same treatment as northern boys.

**Mr. Conway:** I have just one or two things. One thing in particular that concerns me, among other things, is the distribution; I think it's rather interesting. I found 15 in the electoral district of Renfrew South and two in the electoral district of Renfrew North; it's an interesting distribution.

**Mr. Wildman:** You are too wealthy.

**Mr. Conway:** With respect to the one at Mount Madawaska, Mr. Minister, this one concerns me a great deal because I happen to know a fair amount about the current financial situation. As we were discussing the other day, both of us are aware of the \$90,000 loan to that co-op. The question there—and I want to come back to this today because it's very germane to this particular discussion—is, what is the minister prepared

to do, if anything, about ensuring the payment in full of that promised \$90,000?

As you probably know, that co-op is in very serious financial difficulty today because the ministry has not come across with a full complement of the promised loan. So what has happened here, of course, is that an administrative holdback is in the process of defeating the whole principle and purpose of the loan.

**Mr. Joyce:** Your question again is?

**Mr. Conway:** Just why has the full \$90,000 promised by way of an EODC loan to the Mount Madawaska Co-op not been delivered?

**Hon. Mr. Bennett:** There are a couple of things. First of all, funds are disbursed on a progressive basis as invoices — certified by their accountant as legal and so on—are paid. Secondly, I understand there are still some difficulties in trying to finalize clear title to the land.

**Mr. Conway:** But you realize that's within the purview of the Ontario government? It's just another ministry that is involved here.

**Hon. Mr. Bennett:** This could very well be now.

**Mr. Conway:** What concerns me, Mr. Minister, is that the loan has been duly promised and partially given; but for the past 12 to 15 months, on the basis of the earlier promise, the co-operative has tried to continue—along the lines, I might add, of two very extensive and reasonably expensive management studies commissioned by the ministry. At the present time, Mount Madawaska Co-op is in very serious financial difficulty because the Ontario Ministry of Natural Resources has not seen fit to clear title—which it can do very easily—on one acre of the 3,300 acre property. That is holding up a majority part of that \$90,000 loan.

What is happening, of course, is that while this interdepartmental wrangling is going on the project is going under.

[10:30]

**Hon. Mr. Bennett:** You will admit there were complications brought into the case by some actions of certain people within the corporation by taking a personal lease on some lands and so on which brought in another legal complication with which I am not completely familiar. Obviously it did cause some confusion which they are now trying to straighten out.

I will see, on the legal aspect of it, what progress had been made in recent days. As to whether there has been a certification of funds disbursed by the Madawaska Co-op is something I will have to look at as well.

**Mr. Conway:** They put a lock on the operation this summer and it seems a tragedy that this could happen.

**Hon. Mr. Bennett:** I agree. I understood the lock went on not so much because of funds but because of some conditions that existed at the site.

**Mr. Conway:** Those conditions exist because there are no funds available to do the kind of things the studies suggested be done. But one or two other points—

**Hon. Mr. Bennett:** May I make one other comment?

**Mr. Conway:** Yes, certainly.

**Hon. Mr. Bennett:** You drew a comparison between number of loans given in X district—

**Mr. Conway:** One part of that which I didn't mention is that of the 100-odd loans and guarantees mentioned here there is nothing for the city of Pembroke, which I find very interesting.

**Hon. Mr. Bennett:** Mind you, very clearly it is really the initiative of the industry. We make the service available. We have industrial officers there. We have NODC, EODC and ODC officers out and a great deal of it has to come from the initiative of the individual to apply.

**Mr. Conway:** Are you telling me the reason there may not be anything here for the city of Pembroke, probably or certainly the largest of the industrial centres in the county of Renfrew—which has, by virtue of my rough tabulation, received almost 18 loans or guarantees—the reason the city of Pembroke has not received something is because the initiative may not be there? Is that what you are telling me?

**Hon. Mr. Bennett:** I am suggesting to you there might have been applications put in which did not conform to or comply with the regulations and conditions set down for a development loan.

**Mr. Conway:** That's interesting. I certainly will take that back and I think there will be a substantial number of people—

**Hon. Mr. Bennett:** I can assure you it wouldn't be from a lack of drive by the industrial commissioner in Pembroke.

**Mr. Conway:** I find it very interesting that while Renfrew county qualified for roughly 18 loans and guarantees, nothing should fall within the city of Pembroke.

One final, reasonably general question. We see here Eastern Ontario Development Corp. I am wondering; does the ministry have an eastern Ontario industrial development programme? What are you trying to do here? Have you any overall programme which these individual loans and guarantees are intended to support in a general way? What do you see in terms of economic development for eastern Ontario? You have a corporation; what I am asking is have you a development programme?

**Hon. Mr. Bennett:** The Eastern Ontario Development Corp.'s job is to relate itself to the development plans of the ministry; based on how we see certain things developing; the need for a particular industry in a community; and the requirements of funding as requested by the applicant.

**Mr. Conway:** For example, do you have a clearly articulated tourist policy, because most of these or many of these in my county fall under the guise of tourism?

**Hon. Mr. Bennett:** You will notice in a great number of cases these are to upgrade and refurbish some of the facilities presently established in your community.

**Mr. Conway:** What about these general development agreements?

**Mr. Angus:** Mr. Chairman, on a point of order; have we not actually covered that item under the first vote in the proceedings of this committee, on the policy for the development of industry throughout the province?

**Mr. Chairman:** Yes, some of this was discussed previously.

**Mr. Conway:** Thank you very much, Mr. Chairman.

**Mr. Roy:** Mr. Chairman, I have noticed sitting here that a number of members have wandered back and forth and the Chairman, I thought, has been very fair in giving some leeway. I think it a bit unfair to say that at that point.

**Mr. Reid:** I have not noticed that.

**Mr. Conway:** My concluding statement would simply be that the ministry has to come

to grips with a general economic development programme for eastern Ontario, because otherwise many of these piecemeal programmes simply don't add up to a great deal. We have general development agreement programmes which have not been treated, I think, as fully as I would like to see them in my own county. I drew this to your attention under vote 1, I will grant you, but I would raise the issue again in conclusion because I think it to be the most important thing we have to do here.

**Mr. Angus:** Apropos of that statement, I have one question. Under the responsibilities of the Ontario Development Corp. and the other two groups, it talks about the availability of money for pollution control aspects in this province. Going through the list of loans and guarantees of loans that we receive during the rounds of discussions. Unless it is just because I can't read the short form terms in one column, I can't find anything on pollution control.

**Hon. Mr. Bennett:** Have you got that?

**Mr. Angus:** Will the minister elaborate? For 1974-1975?

**Hon. Mr. Bennett:** For 1974-1975 there were four loans for \$410,000; total investment by both industries is \$760,000.

**Mr. Angus:** Are those detailed in here or in this booklet that was presented to us?

**Hon. Mr. Bennett:** I would suggest they would be in there.

**Mr. Angus:** Is there a special category that would point them out to us?

**Hon. Mr. Bennett:** Mr. Rodgers? What's your code? It should be under P. AP; we are sorry, anti-pollution.

**Mr. Angus:** AP, anti-pollution, very good.

The other thing I have noticed is that under the Northern Ontario Development Corp. there seems to be a remarkable discrepancy in the number of loans specifically designated to tourism. Those total 78, with all other industries giving a total of 65 loans.

The other situation is that the other loans—the industrial development loans—account for approximately \$16 million as opposed to \$8 million for tourism alone. I am wondering if the minister could explain to us why there are those discrepancies? First, in the number of loans, and secondly in the value of the loans to the two sections.

**Hon. Mr. Bennett:** Again it starts from the degree of initiative by the industrialist who wishes to make application.



Secondly, I think it is because we had a change in the tourist loan programme which made it much more attractive than it had ever been before. As a result, while a number of people had sat back for long periods of time and did little or nothing in the way of a heavy capital investment programme to refurbish their operations, they decided that since the government had shown this interest in trying to make the industry A-1 that they would take advantage of the tourist loan programme. The interest rate, as I have explained to your colleague, was very favourable. As a result we did get a very high percentage of applications from tourist industries in the previous year.

In respect to the others it was those that applied and were processed and I can't give you any other explanation than that.

**Mr. Angus:** May I further suggest that possibly the ministry might consider re-examining its method of informing and encouraging the industries in the north as to the various programmes of the ministry and the potential available to them in further developing their particular industry and/or thinking that is very important.

**Hon. Mr. Bennett:** I think if you will notice these figures that are submitted on advertising under the ODC in the previous year, we have run a programme of trying to advise people on the availability of funds and the various programmes within EODC, NODC and ODC.

**Mr. Angus:** Have you noticed a change since that programme has begun?

**Hon. Mr. Bennett:** There was a great flow, as Mr. Joyce said earlier. There was a great flood of applications going back a year and a half to two years ago because as the market interest rate was rising at a very rapid rate we had levelled ours to stay pretty well stationary. There was a flood of applications and a number of them were because the interest rate was advantageous; but they could secure funds from other sources at not quite as favourable an interest rate. I think this advertising programme has brought some fresh inquiries. I must say it also helped to stimulate new activities for us under the straight industry and development programme.

**Mr. Joyce:** We are looking at a fresh advertising programme.

**Mr. Angus:** One short question, and it refers to a comment I made earlier on the

Hawker Siddeley plant, Canada Car in Thunder Bay. It concerns the recent awarding of a contract by the government of Mexico, I think it was for \$50 million. One of the situations that came to light during the recent strike there was the problem of deterioration of the equipment that is used for manufacturing GO train equipment or the subway cars or whatever. Does the ministry have any policy of going in and working with industry to ensure that the equipment they do have is replaced so that the economic viability in the long run of the community is not jeopardized by running on pre-World War II machinery?

**Hon. Mr. Bennett:** The question you ask is one that I have observed myself when in Thunder Bay touring the plant. I know the management is well aware of the age and deteriorating condition of the equipment. Our government, through the Ministry of Transportation and Communications, is very interested in the efficiency of that plant because they basically are the sole producer of GO trains and subway cars for this province. We do not get into that type of thing. If you are getting into a financing programme for Hawker Siddeley, you are into virtually hundreds of millions of dollars.

**Mr. Angus:** I wasn't thinking so much of financing; I was thinking more of professional advice and encouragement by the province.

**Hon. Mr. Bennett:** Oh, yes, we give them encouragement. But they have also had some assessments made with their own private funds as to what it would take to upgrade some of the equipment. They have some real problems in that operation, which I am not going to get into fully here tonight because they are much greater than what would involve an ODC operation.

**Mr. Chairman:** For the information of the committee I have three speakers on the list—Roy, Samis and Reid.

**Mr. Roy:** Is it my turn already? As you know, when Mr. Smith was commenting on the Ontario Development Corp. and the Northern Ontario and Eastern Ontario ones, there was some comment made about the usefulness of these other two, seeing that the major decisions on these are made in Toronto. My first question to the minister is whether there isn't a certain level of loans that can be approved by these various corporations—Northern Ontario or Eastern Ontario—or a guarantee of loan.

**Hon. Mr. Bennett:** The guarantee of loan basically has to go through cabinet because of the fact that it has to be signed for by the Treasurer (Mr. McKeough). Secondly, loans where there are no forgiveness of interest or deferral periods of repayment must go to cabinet because that is a straight forgiveness of a portion of the debt. Loans of up to \$50,000 can be made at the local level; and \$100,000 on the normal programmes where there is no forgiveness.

**Mr. Joyce:** It is \$20,000 at the local level, and \$50,000 at the managing director level.

**Hon. Mr. Bennett:** And what is it for the board?

**Mr. Joyce:** It was \$100,000 and it has been raised to \$250,000.

**Hon. Mr. Bennett:** In other words, it is \$20,000 at the local level, at the manager level; \$50,000 at the managing director level here at Toronto, and \$250,000 by the board of directors itself without approval of cabinet. Those are on loans where there is no forgiveness. In other words, they are paying what is the interest rate set by us and the terms set down under a term loan or industrial mortgage and so on.

**Mr. Roy:** In fact, if I apply to Eastern Ontario for a \$50,000 loan, then the decision would be made by the director here in Toronto and not have to go to cabinet, if it was the type of loan that you are talking about?

**Hon. Mr. Bennett:** That is correct. It is reported to the board.

**Mr. Roy:** On the other point that has been made by the member for Nipissing (Mr. Smith) and in your answers to him, he talked about a façade in the Northern Ontario, and Eastern Ontario Development Corps. The point I want to make to you, is that even from your own comments on this it would appear that there is some effort on the part of the ministry to make it appear as though you have three different corporations there—Ontario, Northern and Eastern—when in fact there are not. The other two are really branch plants of the Ontario Development Corp. Since the decision has to come to the directors here or to cabinet, your comments are somewhat misleading.

I know there were politics in this. For instance, you called them the Northern Ontario Development Corp. and the Eastern Ontario Development Corp. Let's not kid ourselves. I suppose it is part of the game. But, in fact, they are not separate. They are branch offices.

By jazzing it up and saying it is Northern Ontario or Eastern Ontario, I suppose there is some feeling up there in those two areas of the province which have been crying neglect, and certainly with reason. There is some indication on the part of the government that there is a concentration in Northern Ontario and Eastern Ontario, so there is a special effort there. But, in fact, the member for Nipissing was right; it is really a façade. These are just like having branch offices and the decisions have to be made here. Isn't that a fact?

[10:45]

**Hon. Mr. Bennett:** No, it is not a fact, Mr. Chairman. There are three very distinct boards. The Eastern Ontario Development Board makes a recommendation on an application relating to an industry that wishes to establish or upgrade itself in eastern Ontario. Their recommendation comes directly to me as the minister. It goes to no other operation. It does not go to the Ontario Development Corp. It comes from Eastern Ontario Development Corp., as the Northern Ontario Development Corp.'s recommendations on loans would come to the minister's office.

**Mr. Roy:** But if it is a loan over \$50,000, it has to be a decision and it is made here by the directors of the Ontario Development Corp.

**Hon. Mr. Bennett:** Obviously, that is correct. Let me back up just one step.

**Mr. Roy:** No, that is not correct, sir.

**Hon. Mr. Bennett:** Just a moment. I am saying it has to come to the managing director if it is \$50,000 or over, and it does not have any forgivable portion or reduction in interest rate. That is the question, if I understand correctly.

**Mr. Roy:** Yes.

**Hon. Mr. Bennett:** If it was \$20,000 or less it could be made at the local level, right in the community, by a member in the Eastern Ontario, Northern Ontario or Ontario employment. If it is \$50,000, that recommendation must come from the local employer representing one of the three corporations to the managing director.

**Mr. Joyce:** To his own director first, and then to the managing director.

**Mr. Roy:** The managing director of the Ontario Development Corp.?

**Hon. Mr. Bennett:** That is correct. The managing director of the three corporations.

He is actually an employee of the three corporations.

**Mr. Roy:** That is what I mean.

**Hon. Mr. Bennett:** There has to be one central force, one central person, if you are going to start allowing certain decisions to be made, so that there is continuity in how the \$50,000 position is going to be applied. Then, each of the boards—NODC, ODC and EODC—has the authority to award, as a board, where there is no forgiveness, up to \$250,000.

**Mr. Roy:** I don't really think I have to say anything further. You have, in fact, made my point. It is really the Ontario Development Corp. To some minor level for smaller loans, a local decision is made, which could be made whether you call it Ontario or Northern Ontario or Eastern Ontario. They are not separate things. It is a centralized operation here in Toronto.

**Hon. Mr. Bennett:** I am going to say, Mr. Chairman, very conclusively: They are separate. They have their own board of directors. They make their recommendations and I handle them accordingly to the cabinet. The only case is that the managing director we have represents the three corporations, and that is for the \$50,000 loan. There has to be at least one person, somewhere down the

line, whom you and I want to hold accountable for something.

**Mr. Roy:** I agree with you. But you see, the fact that you say the three are separate doesn't make it so. The evidence points otherwise. That is all I am saying.

**Hon. Mr. Bennett:** That is your interpretation only.

**Mr. Chairman:** It is now 10:45 p.m. What is the desire of the committee? I still have two speakers.

**Mr. Reid:** Mine is of utmost public importance, but I will wait until the next estimates.

**Mr. Chairman.** Mr. Samis?

**Mr. Samis:** In view of the magnanimity displayed by one half of the Reid brothers, I can only follow.

Vote 2009 agreed to.

**Mr. Chairman:** That completes the estimates of the Ministry of Industry and Tourism. I thank the committee for their cooperation.

I would like to remind the committee that the estimates committee will meet after question period on Thursday to consider the estimates of the Ministry of Labour.

The committee adjourned at 10:50 p.m.



## CONTENTS

---

Tuesday, November 4, 1975

Tourism development programme .....	S-115
Operations programme .....	S-118
Communications programme .....	S-121
Administration programme .....	S-121
Ontario Place Corporation programme .....	S-121
Industrial incentives and development programme .....	S-126
Adjournment .....	S-147

## SPEAKERS IN THIS ISSUE

---

Angus, I. (Fort William NDP)  
 Bennett, Hon. C. Industry and Tourism (Ottawa South PC)  
 Bounsall, E. J. (Windsor-Sandwich NDP)  
 Conway, S. (Renfrew North L)  
 Eakins, J. (Victoria-Haliburton L)  
 Johnson, J. (Wellington-Dufferin-Peel PC)  
 Mancini, R. (Essex South L)  
 McCague, G. (Dufferin-Simcoe PC)  
 Norton, K. (Kingston and the Islands PC)  
 Reid, T. P. (Rainy River L)  
 Roy, A. J. (Ottawa East L)  
 Samis, G. (Cornwall NDP)  
 Smith, R. S. (Nipissing L)  
 Spence, J. P. (Kent-Elgin L)  
 Wildman, B. (Algoma NDP)  
 Williams, J. (Orillia PC)

### Ministry officials taking part

Boyer, F. J., Executive Director, Division of Tourism  
 Brown, J. W. E., Director of Finance and Administration, Ontario Place Corp.  
 Joyce, J. H., Chairman, Ontario Development Corp.  
 Pilgrem, F. J., Deputy Minister  
 Radford, N. R., Executive Director, Small Business Operations Division  
 York, P. A., Assistant Deputy Minister

## ERRATUM

---

No.	Page	Col.	Line	Should read:
S-1	S-17	1	34	municipalities in Renfrew county, and there

LIBRARY

DEC 10

UNIVERSITY



Ontario

Government  
Publications

# Legislature of Ontario Debates

SUPPLY COMMITTEE

ESTIMATES, MINISTRY OF LABOUR

OFFICIAL REPORT — DAILY EDITION

First Session of the Thirtieth Legislature

Thursday, November 6, 1975

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975

## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. (Phone 965-2159).

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MGS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.



## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

THURSDAY, NOVEMBER 6, 1975

The committee met at 3:35 p.m.

#### ESTIMATES, MINISTRY OF LABOUR

**Mr. Chairman:** I call the committee to order.

I see we now have a quorum. I understand we have seven substitutes in the committee today. I won't name them, they've been filed with the Clerk. So we'll begin the estimates of the Ministry of Labour. First, I feel it in order to congratulate the new minister in her position and I hope she enjoys the work which is before her in this committee.

We will follow the same procedure under these estimates. I will call on the minister for her opening remarks and to introduce some members of her staff. Following that will be remarks by the critics of the NDP and the Liberal Party, and then the minister will have an opportunity to reply.

So we will begin, Madam Minister, with your opening remarks and the introduction of your staff.

**Hon. B. Stephenson:** Thank you, Mr. Chairman.

Might I first introduce those members of the staff of the ministry who are here? The deputy minister unfortunately has departed for a few moments, but I am sure he will be back and you will all recognize him. Mr. Johnston is the Deputy Minister of the Ministry of Labour.

We have as well Mr. John Kinley, who has recently acquired a new title. He is now the ministry co-ordinator, policy development. We have as well Mrs. Ethel McLellan, who is the director of the women's division of the Ministry of Labour; Mr. Paul Hess of the legal branch; Mr. Keith Cleverdon, safety; Tim Armstrong, who is Labour Relations Board; John Morgan, administration; Mr. Gordon Webster, finance; Mike Skolnik, research; Bob McPhee and George Brown, of the Human Rights Commission.

Mr. Chairman, ladies and gentlemen, the Ministry of Labour was last before this committee almost exactly a year ago, and since I have been in the portfolio for just a few

weeks, I shall not attempt to give you a detailed account of all of the matters which have concerned the ministry since that time. As a matter of fact, such an account might be superfluous because just a few days ago the annual report of the ministry for 1974-1975 was tabled and that report, which you have, gives you a fairly complete story of the work done in that fiscal year.

In addition, you should have a document entitled "The Ministry of Labour Explanatory Material for 1975-1976 Estimates." That will provide you with information on the estimates under review and comments upon the programmes to which they apply. I would like to draw your attention to a few major developments. Some of these will be of concern to you in the programme-by-programme discussion that we will undoubtedly get into.

In the area of labour relations, the ministry's role in the province has been rendered more complex by the current high rate of inflation. The recently announced anti-inflation guidelines of the federal government that have been strongly endorsed by the government of Ontario have put new considerations into the bargaining process. The declared approach of the federal authorities is to interfere as little as possible with provincial responsibilities, but the anti-inflation Act places new legal responsibility upon the bargaining parties.

While the Anti-Inflation Board is defining its rules and its regulations, we have advised the parties to collective bargaining to attempt to make settlements within their interpretation of the way in which the guidelines will apply to them. We have had considerable success with this approach, and you should know that our approach is consistent with the best advice that we are able to obtain from the responsible people in Ottawa.

Without question, some of the settlements being made will be reviewed, and possibly rolled back, by the Anti-Inflation Board. By following this approach the primary function of our conciliation and mediation staff continues to be the promotion of labour peace. They will inform the parties about the anti-inflation programme, but they will not become enforcers of that programme.

The work of the conciliation and mediation service in achieving settlements in disputes is set out for 1974-1975 in the annual report. This year, extensive construction bargaining combined with the economic climate has made for a high level of activity for our disputes settlement staff. Nevertheless, experience with work stoppages seems to be somewhat more favourable than it was a year ago. During the first nine months of 1975 there were 260 strikes in Ontario, which resulted in 1,792,000 man-days lost in the province. This compares with a total of 334 work stoppages during 1974, which resulted in a loss of 2,549,000 man-days.

In the past year, major changes have been made in the Labour Relations Act. Since these were proclaimed only on July 18, I cannot give you an extensive accounting of experience under those changes. There has been some use of the new provision permitting interim certifications, and a further improvement in the speed with which the Labour Relations Board is handling applications that come before it.

One proposed change that was not implemented had to do with extending bargaining rights to dependent contractors. This provision has not as yet been proclaimed, and I am in the process of meeting representatives of the interested parties who wish to discuss the practical difficulties they believe this new provision will present to them.

Under the hospital inquiry commission, action has been taken on the recommendations of that commission's report, released early in this calendar year. And these include establishment of a hospital job evaluation committee under the chairmanship of Mr. Pat Tirrell. The committee has begun its work and hopes to have the development of a job evaluation system well under way by the end of the current fiscal year.

A recommendation was made by the ministry to Management Board for the establishment of a resource centre to support hospital bargaining. This recommendation has received considerable attention in ministries other than those concerned with hospital employment. Another recommendation was that province-wide bargaining be attempted, and it has become an accomplished fact for nurses. Moves toward wider area bargaining are being made by other groups of hospital workers as well.

The construction industry review panel has continued to assist with labour relations problems in this industry. In particular, it has established stronger relationships within the industry itself, and has assisted in main-

taining a reasonably low level of construction work stoppages. At the same time, a projection of manpower requirements in the construction industry is currently being prepared for the panel by the research branch of the ministry. In addition, the commission set up to implement the panel's recommendation for wider area bargaining is making satisfactory progress and is currently receiving briefs from interested members of the public. [3:45]

Under our ministry we have as well the Ontario Human Rights Commission and just before this fiscal year began, Dr. Thomas H. B. Symons of Peterborough was appointed chairman of that commission. For the first time the commission's entire membership is now drawn from the public at large rather than from within government services. This change reflects a desire to ensure that the commission functions objectively and is undertaking a thorough review of the Human Rights Code with respect to how well it recognizes changing human rights needs in this province. Interested members of the public are being invited to participate in the review through briefs and through public hearings. Matters that will be considered are the addition of different grounds for discrimination such as physical disability, criminal record, political opinion, working arrangements established by human rights legislation in other jurisdictions, and the appropriate relationship of the commission to government.

Perhaps even more than in any other part of the ministry, the work of the Ontario Human Rights Commission is influenced by social and economic conditions. High levels of unemployment, concern about immigration, changes in income-support programmes, and shortages of housing are all matters that have a bearing on the workload of this commission. In particular, demands have accelerated in three areas—in formal cases under the code; in inter-group conflict; and in assistance rendered to major institutions faced with discrimination problems.

The increased workload has forced the commission staff to change its approach to handling complaints and other activities. This is reflected particularly in more formal cases that arise under the code; and in the development of specialized anti-discrimination programmes—for example, assistance in training police officers in human rights problems—and away from more generalized approaches to public education. Complaints and inquiries are presently running in excess of 1,000 per month, and the Ontario Human Rights Commission handles these with a total staff of 40.



Under the women's programmes—of which Mrs. McLellan is in charge—affirmative action as a means of redressing historical imbalances in the employment of women has taken a strong hold in the women's programme division. This thrust is distinct from the neutral approach to the problem of the under-utilization of women's talents. As an employer, the Ontario government places a priority on affirmative action, and on the need for special efforts, to both increase career opportunities for women and to prepare women to catch up.

The women Crown employees office is responsible for the affirmative action programme inside the government, and the first annual report on the status of women employed by the government of Ontario is expected shortly, approximately at Dec. 1, we hope. The women's bureau is responsible for affirmative action programmes within the private sector. Funds for this new initiative were made available in 1975 under a special programme for International Women's Year. The women's bureau has been successful in reaching since February, 1975, over 100 companies within the private sector, and is working with 70 now who have asked for continued assistance. Our estimates are asking for confirmation of the programme and the establishment of a budget commencing April 1, 1976.

Legislative standards within the Ministry of Labour: During recent months, the major initiatives pertaining to legislative labour standards have been focused on improvement of service. The two main approaches are to ensure that existing legislation is as widely understood and observed as resources permit, and also to improve worker and employer access to safety-and-employment standards information and enforcement facilities. Particular attention has been given to persistent problem areas, and better co-ordination of occupational safety and health activities.

An important aspect of this has been the efforts to bring safety matters to the attention of senior management people who can ensure that action is taken to correct the hazards. This has brought encouraging results.

Almost three years ago, the industrial safety branch embarked on a major programme of management consulting. In this work, the officers established contact with senior plant executives and through explanation of the benefits to be derived, tried to gain their commitment to improving safety conditions. During the first six months of this current fiscal year, this programme showed an increase of 45 per cent over the corresponding six-month period in 1974-1975.

And trade union involvement in that time has also nearly doubled.

In September alone, our officers conducted 64 safety meetings for individual employers or employer groups. Associated with this programme, has been the development of labour-management safety committees at plant level. Such committees are being encouraged in both union and non-union premises.

Beginning in June of 1975, a concerted effort was made to have union representatives accompany inspectors on plant visits. The recommendation was well received by most organized employers. This involvement of union officials at the inspection process ensures that sources of complaint are not overlooked and, at the same time, that hazards are not allowed to persist without complaints being lodged.

Another shift in emphasis by the industrial safety branch may have led temporarily to less favourable statistics being reported but toward what we believe are fundamental improvements in the programme. The change to which I refer was a decision to concentrate inspections on high-accident, high-hazard premises. This has resulted in somewhat fewer inspections being made in the last two fiscal years than might otherwise have been the case, because on average, more time was required per inspection. However, for the first half of 1975-1976, the number of inspections made shows an upward trend back to the level of the number in 1972-1973. Again, this reflects that management is playing a much more active role in policing safety problems on its own initiative.

To ensure that hazards are not overlooked, at the commencement of 1975 the branch began identifying in writing every instance of a contravention of the standards. That is, if 10 punch presses were unguarded, each of those presses is now the subject of a specific direction. Formerly, this situation would have resulted in only one direction to the employer. This practice of identifying each of the problems increases the number of directions reported but at the same time it leaves no doubt about the extent of the action to be taken to overcome the safety hazards.

Where serious contraventions are found, our current policy is to make a follow-up inspection within 10 days. This is done to ensure that the directions are complied with promptly. But despite these efforts, we have not been able to eliminate industrial fatalities, and I suppose it is improbable that such a goal can ever be reached.

From 1964-1965 to 1974-1975, the number of industrial fatalities per year varied from



a low of 21 to a high of 90 or a rate of 2.9 to 4.4 per 100,000 workers. Over the period, the average rate of fatalities was 3.5 per 100,000 workers.

The relatively large number of 75 fatalities in the 1974-75 fiscal year was above average, largely due to two very serious accidents. One was in North Bay and resulted in nine deaths and the other was in Hawkesbury, and resulted in three deaths. We have not found a way to eliminate these random occurrences but we will continue to work on that problem.

I would like to make some special mention of the problems which have arisen with respect to the use of asbestos in manufacturing processes, with a view to assuring you that we are getting co-operation in our efforts to eliminate this hazard. I'll mention first the Johns-Manville plant.

Only a few weeks ago our officers visited one major user of asbestos in its manufacturing processes, and left 25 directions as to how the work environment could be improved. A check, three days later, revealed that all but two of these directions had been complied with, and that action was under way to meet the requirements established by the other two directions.

The other company is Raybestos-Manhattan, and in another plant where there had been extensive concern about an alleged asbestos hazard over the past two months, a series of inspections and tests of air samples have been carried out in co-operation with the occupational health protection branch of the Ministry of Health. This action has shown that the amount of asbestos in the air in this plant is well below the threshold limit values which are acceptable in this province. These threshold values are much more stringent than are recommended in some other jurisdictions.

In the construction industry, there has been a continuation of the improvement in safety performance which we have been able to report in the last several years. Evidence of this has been a marked decline in the number of fatalities relative to the volume of work done. Some reduction in the incidence of accidents has occurred and much better compliance with the law than was the case in the recent past. All this is evidenced by fewer directions left by our inspectors, and by actual records of fatalities and accidents reported. However, because of stricter enforcement, there has been an increase in prosecutions, but at the same time there have been relatively few second offenders.

There has been changes in employment standards coverage. Some changes were made in the coverage of the Employment Standards Act, and important among these was the application of the minimum wage and certain other standards to seasonal farm workers, and improved overtime pay arrangements for hotel, motel, fruit and vegetable processing and local cartage employees. In addition, the aspects of the legislation requiring equal benefits under pension and group insurance plans, regardless of age, sex or marital status, have been proclaimed. Regulations have been issued clarifying the definition of work under the Act. The general minimum wage was raised from \$2.25 to \$2.40 per hour on May 1 of this year, and we are currently in the process of reviewing and requesting approval for another increase that I hope to announce before the end of 1975.

An agricultural advisory committee has been approved by order in council. It is composed of workers and employer representatives, as well as support members from the ministries of Labour and Agriculture. The committee will advise the Minister of Labour on the application of employment standards legislation to the agricultural industry.

Our major action to improve worker and employer access to the safety and employment standards programmes is bound up with organization. We are developing an arrangement which will move the day-to-day administration of the programmes from the ministry headquarters in Toronto to four regional offices. We hope, by this change, to make services more easily available to workers and employers throughout the entire province, and to make the administration of the Act more sensitive to local conditions.

I am not going to make any extensive comments on the service and research activities of this ministry, because almost certainly you will be giving the latter a substantial amount of attention in your comments and questions. However, I would like to point out that the service and research functions have been affected to some degree by organizational changes, and that Mr. Mike Skolnik, whom you met a few moments ago, is now the director of research within the ministry.

[4:00]

The research branch programme covers the traditional areas of the ministry's interests such as labour relations, discrimination, safety and working conditions. It has a major commitment to provide the government with labour market information for the Province of Ontario. In addition, it carries out special studies such as that already referred to for

the construction industry review panel and another that is investigating the problems of labour supply and labour demand in north-western Ontario.

At this point as well, I shall not comment upon the Workmen's Compensation Board because, as you know, a full day will be set aside for discussion by this committee of the board's annual report. The date of that meeting is to be Wednesday, Nov. 26, and that time will not count against the time allocated for ministry estimates.

**Mr. Bounsall:** Madam Minister, I would like, at this time, to congratulate you on your appointment to the post of Labour minister. Since I was elected in 1971, I think I have seen four Labour ministers. One of them, Mr. Guindon, held the job for some considerable length of time in that period. But nonetheless there were four. I hope that you remain in this post for some while so that we can continue the dialogue which we have from the estimates of one year over to another and so that a feeling of continuity exists. I wish you the best of luck in your rather heavy job now and I look forward to seeing how you react to the job.

With Labour Minister Guindon, one always had the feeling that he was very, very concerned with the labour relations aspect of the job. A strike sort of worried him. Strikes bothered him. You could count on Mr. Guindon to be very aware of the situations across the province. You really felt with that minister that that, perhaps almost to the exclusion of everything else within the ministry, was his concern. When it came to legislation, he seemed to be a little afraid even of tackling some of the legislative side of things, of piloting bills through the House, regarding changes in labour legislation.

When the last Minister of Labour—the one previous to you; Mr. MacBeth—came on the scene, there were pronouncements before the Legislature met, but after his appointment, comments were heavily on the legislative side. With that minister you felt that there was some real chance for legislation to change some of the things we had been talking about for two, three and four years. This, in fact, did take place—major amendments to the Employment Standards Act, the first amendments in five years to the Labour Relations Act, and that was a step forward.

I felt that minister, however, was very uninvolved with the persons he came in contact with in that post, that he didn't feel the strike situation. He didn't feel the desperate plight that people were left with in the province as a result of the legislation even

though there were changes being made. I am looking at you with some interest, Madam Minister, to see just where you fit in this particular group of ministers that have come before us. I hope that you are, in fact, legislatively oriented so that we can have changes to the legislation, changes that are very necessary, and in fact that you do feel the situation of the workers around this province. It is too early to tell of course—to have any idea really of how you will react in this post.

Let me say that I am rather interested that a woman is occupying this post. I feel that there may be much more prominence placed upon various activities that the ministry is involved in with a woman at the helm. You might encourage a bit more the activities of the women's bureau and their efforts to achieve awareness around the province. I would think you might be somewhat responsive to what was one of the major issues at the time of the Employment Standards Act amendments which came in; that being the equal pay for work of equal value issue. I would hope that you would look at that very closely to see if you cannot soon bring in an amendment to the Act which would put that into effect.

We heard from the last minister, when this was thoroughly discussed in committee, with groups appearing on behalf of that concept, that it would take five years to implement and, therefore, we shouldn't start. And that was in International Women's Year. It might well take five years to have the evaluation system worked out, for companies to respond with an evaluation system of their own to see that that is working well in each case across the province. But arguments for it are very compelling because, as you know, Madam Minister, employees and companies really fell into three groups—the men-only jobs, the jobs that are occupied by both men and women, and the women-only jobs. And there is quite a difference in pay between those three categories.

The Employment Standards Act, with the changes made in that Act, helps the situation where there are men and women on the same jobs but it does nothing about the group of women working in that plant who, in many cases, are performing a service, if it was evaluated, greater than many of the jobs that are thought to be in the men-only category. But these women as a group are paid considerably less. Because it's women-only it's wages down here; because it's men-only it's wages up there.



The only way that is going to be eliminated is to have a job evaluation scheme operating in Ontario, so that the job is what is being paid for and not the sex of the person filling that job. That is what is meant by the practical applications of equal pay for equal value, which all the feminists and many of their friends are requesting in this province, and have been for some time.

There are international agreements to the effect that this will take place, Canada and Ontario were part of the agreement. Yet it has not entered into our legislation here in Ontario.

I would hope, therefore, Mr. Minister—or Madam Minister, I'm going to have to get used to that—

**Hon. B. Stephenson:** I know it's difficult.

**Mr. Bounsall:**—after the time I have dealt with Mr. Ministers in this portfolio.

I hope you will look at that very seriously. In this International Women's Year, there is still time to bring legislation forward that would cover and make effective the equal pay for work of equal value principle. There are many models that you can refer to. The steelworkers right across Canada have that job evaluation system. One is not starting from scratch in bringing forward that particular system across Ontario.

The rates of pay of course will differ from plant to plant. A particular job in one plant may not be rated as highly as that identical job in another plant. That's what we expect. But we have to try and get that evaluation taking place; we expect differences from company to company with that evaluation. It is the only way as I see it, Madam Minister, in which we shall achieve a system that is going to be fair in terms of wages paid for the jobs done without causing discrimination against women.

I am interested—because you are a woman, Madam Minister—in some of the other things which did not appear in the Employment Standards Act. There is no paternity leave there. It is quite common in other countries and other jurisdictions, mainly in Europe, to have a six-week period with pay in which, after the birth of a child the father is allowed to be at home to assist with the duties that involve the new arrival and the feelings his wife has.

In Sweden, they meld their whole policy of child care and infant care with the concept of paternity leave. There they allow one of the two parents to stay home for one year with pay—I believe it is a full year—

to be around the new-born child. They have decided that is a better and less expensive way than the provision of infant care for the child which comes into that family.

I would recommend that you look very seriously at these deficiencies in our Employment Standards Act with regard to our families in Ontario and with regard to the solution of infant care when both parents are working. This is a very considered decision in Sweden.

I'm interested, too, in what your attitude is going to be as Minister of Labour. One of our chief complaints or chief talking points, at least, with the last minister was his non-involvement. He said he had to be neutral throughout and our reply was you can be impartial but you can never be neutral and you must involve yourself with the workers of Ontario. The Minister of Industry and Tourism (Mr. Bennett) without doubt speaks in public on behalf of the industry of this province.

We have never had a feeling that the Minister of Labour—the past ones—has made any attempt to speak for labour in this province and for all those people who are working in this province and their problems. The ministers have never been spokesmen for the people who work in this province and we're saying to this minister that we're looking forward to her taking that attitude so that one feels there may be someone within the cabinet who at those cabinet meetings speaks up on behalf of labour, particularly the unorganized sector whose wages and salaries are considerably less than those in the organized sector. We have never had that feeling. I have never had that feeling of the other ministers whom I have seen in this portfolio.

**Mr. Laughren:** We've never had a minister who was a member of a strong union before though.

**Mr. Bounsall:** That's right. Your initial remarks on labour relations today intrigued me. We asked the minister a year ago what sort of leadership role was he taking with respect to labour relations and to negotiations across this province.

It was very clear to me then that one of the roles he should be taking on one of the major points of negotiation was the inclusion of cost of living clauses in contracts. He could play a very meaningful leadership role by his statements in this regard, statements which would encourage employers to put a cost of living clause in contracts.



It was clear at that time and it was documented in the estimates that the buying power of workers' wages in Ontario had not kept up with the cost of living. One way to make it equitable was to have a cost of living clause which did keep up and was better, in signing a contract, than a guess as to what the cost of living might go to and a guess in terms of what amounts of pay they should be setting and negotiating in their contracts.

You have a role to play here in this particular tough situation of the wage and price guidelines. You've mentioned them on your opening pages and in a very peculiar way: "We have advised the parties to collective bargaining to attempt to make settlements within their interpretation of how the guidelines will apply to them."

[4:15]

I would hope that that wouldn't just rest there. That statement in itself doesn't particularly thrill me at all. There is a real leadership role which you can take and should be taking at this particular time where, without doubt, wages are being controlled and we've no prospect for the future that they will not be.

Nothing is being done about prices. As the price increases have come through my office I have been telegramming them through to the Anti-Inflation Board. I can document price after price which, since Thanksgiving, has increased between 32 and 55 per cent. And that is being felt out there by the public. Yet, we have a pretty tough wage control. What is your role going to be in this area with respect to employers and employees?

To simply say: "Make settlements within your own interpretation of how the guidelines might apply to you," is simply not good enough. I think you should be making the point for those parties in negotiations that it doesn't apply to groups of 500 or less. You should be saying to them, "Look, should those guidelines, after you have reached your negotiated settlement, apply to you when they are sent to the Anti-Inflation Board, and some of your agreements roll back, this is the year for you to concentrate on your non-monetary items." Let's see your leadership in encouraging both sides, with the prospect that this might occur to them in the future, to have a very hard look and sort out for a long-term basis, if possible, the non-monetary items of their contract.

This would be helpful for both parties. It would be helpful in the leadership role which you should be taking with respect to those parties as you talk to them. And it shouldn't be simply talking to them behind the scenes.

You should be making pronouncements to this effect. Why aren't you, for example, indicating to employers and employees the model that Falconbridge Nickel has set where they were deep in negotiations? With the Mine, Mill and Smelter Workers, they did not, as did many employers that I have come across since, sort of stop negotiations or fall back at that point and say: "Well, we're going to be limited by our eight per cent or our 10 per cent." No, they went on and negotiated a contract which was well above the guidelines. Their attitude has been that they will make a joint application to the Anti-Inflation Board. Today, in fact, the Anti-Inflation Board has received their exact settlement. They have told the board that if they do not hear from the board within a 30-day period, they will, in fact, pay directly to the workers retroactively to the date of the signing of the contract, and from there on in, the additional moneys which have been negotiated.

You should be pointing that out to employers and employees across Ontario as the model that they should be following. Employers should not just sit back now and say: "Look, the maximum we can give you is 12 per cent." They should be arriving at a settlement like Falconbridge has and jointly showing a willingness to go before the Anti-Inflation Board to make the case as to why it should be what it is. And to point out that Falconbridge Nickel is going to, in fact, pay it out if the board doesn't rule very quickly on it.

If you don't do something like this, Madam Minister, what is going to happen—what is already happening—is that negotiations are just, in many cases, going to stall. They are going to stall over the monetary items as management does not want to go above the eight or the 10 per cent or at most the 12 per cent and, in fact, are sitting down and hiding behind it. So you can popularize this approach and point it out all across this province. You have a responsibility, as the minister, for contracts to be achieved. You have a means of pointing out how that can be achieved as well as how it has been achieved at one place, and popularizing it. As well, you should suggest to those workers and to management that they make a lot of headway this year in the non-monetary items and that you will lend every effort in your ministry to give them a hand at reaching that conclusion wherever you are required, wherever you are invited to do so. That's the type of role I see you playing today in Ontario in negotiations that are being affected no

doubt by the wage guidelines handed down from Ottawa.

There is one other thing the minister mentioned in her opening remarks which I would urge her to do. Under the settlements of disputes, you indicated by the text that there were fewer man-days lost in Ontario this year and fewer strikes than in the previous period. That's all well and good, but some might simply remember, after reading it, that during the first nine months of 1975 there were 260 strikes. That sounds like a lot of strikes.

You have to do a public relations job for your conciliation and mediation branch. You should point out that of the number of contracts that come up for renewal in that period—what is it? It must be around 98 per cent that were settled without resort to strikes. Only something like two per cent ended up in a strike. Those are the figures which would stick.

Two hundred and sixty would sound large to an ordinary person who doesn't keep track of the situation. It sounds like a lot, and you're no doubt building up their fears as to the number of strikes that are occurring in Ontario, even if there has been a decrease.

It is incumbent upon you to point out to Ontario in the most positive way the figures regarding the number of strikes that occur. You should be stressing the fact that in very few of the negotiated contracts has there been resort to strike action in order to settle them. In Ontario over that period we must be talking of something like 98 per cent that have reached a successful conclusion.

Similarly, when you read the figure of 1,792,000 man-days lost due to strikes in Ontario, to the uninitiated that sounds like a lot. You really should be putting that figure in relationship to the man-days lost through other causes. Then the man-days lost due to strikes show up much smaller, and would have a negligible economic effect upon Ontario than what this bald figure would suggest.

Perhaps someone in the ministry later on can give me the exact percentages, but that time loss must be roughly one-eighth or one-tenth of the man-days lost due to sickness in this province, or due to industrial accidents. That's the way you should be casting this figure: make it relative to the man-days lost in other areas, so that in Ontario it appears exactly as it is—quite negligible with respect to man-days lost through other causes.

That should be one of your roles—to publicize how well your mediation and conciliation branch is working. I might say I feel they have worked very efficiently and very

hard. They are a part of your ministry of which you can be very proud. They do take their jobs, as I've seen it, extremely seriously. They want to resolve the conflicts that arise. It is incumbent upon you to see that the people of Ontario get these figures in the proper perspective and also to relate the performance to the people who are working very hard within your own ministry.

I would hope from here on in we don't simply get bald figures of this sort, even if they are an improvement over the previous year. I would hope that you relate them to the reality of the situation and cast them in the best possible light in terms of allaying people's fears around the province.

You mentioned the minimum wage in your remarks. We are on a cycle in Ontario of raising the minimum wage, I would hope, every six months—it may be every seven months if you actually count the months. The minimum wage in Ontario was increased last May. On a six-month cycle one would have expected it on Nov. 1—if my calculations are correct—and even if you are on a seven-month cycle, by no later than Dec. 1.

I simply want to point out to the minister that we are now solidly in seventh place in the 11 jurisdictions in Canada—the 10 provinces and the federal government. British Columbia, Alberta and Saskatchewan are now at \$2.50, with British Columbia going to \$2.75 by Dec. 1. Manitoba and Quebec and the federal government are at \$2.60. That puts Ontario solidly in seventh place—behind the federal government and these other five provinces. That's something about which you can't just hope that you'll have an announcement to make before the end of the year. It should have been made by Nov. 1. And it had better be made by Dec. 1.

I want to urge upon you to take the Manitoba model. They didn't get their \$2.60 out of a hat, didn't pick it out of the air. I would like sometime to have an explanation from the ministry—and it will come in these estimates—as to how they arrive at their figures. Manitoba sets theirs in relationship to the average of the wages and salaries in that province at the time. And their \$2.60 came for Oct. 1, and was exactly equal to 60 per cent of the average wage and salary in the Province of Manitoba including the minimum wage—the minimum wage is included in that average. They arrived at \$2.60 which they started to pay on Oct. 1.

If that same calculation was done in Ontario as of Nov. 1—with the last couple of months extrapolated to account for the 12 per cent annual increase which we've ob-



served over 12 months prior to that—the average weekly salary and wage in Ontario—with only some slight extrapolations to be made—is \$213.37. Sixty per cent of that is \$128.02, giving you an hourly rate of \$3.20. So \$3.20 an hour would be the minimum to be comparable to the Province of Manitoba. I'm suggesting to you, Madam Minister, that a penny less than \$3.20—which should have been announced on Nov. 1, we're overdue now—is simply not acceptable. I urge you to adjust it to a reasonable amount, and to get it on a formula that's paid out twice a year.

Later on in the estimates I will be interested in pursuing how you arrived at the various figures over the year. When adjusting minimum wage figures, Ontario has never ever made it into the No. 1 position, in spite of our being the wealthiest province in Canada. Never, ever.

You should think very seriously about why that has never occurred in Ontario, and what it is you're going to do about it. If we're going to be equal to Manitoba, the minimum wage should be \$3.20 as of Nov. 1, and we shouldn't have any further delay on the announcements.

In terms of legislation, I hope you finally take some action on the termination pay section of the Employment Standards Act. This area was left untouched in the last revision, and the only reason for it that I could see was an argument about difficulties that arise with respect to unemployment insurance.

That's not the reason we have it in the Act. It's there to give to long-term employees who find their employment terminated, usually in the case of a plant shutdown, or a plant relocation where it is not possible for them to relocate with the plant—both aspects we could debate at some time; plant terminations and plant shutdowns—time to adjust, time to be retrained.

[4:30]

The psychological impact on a person who has worked 10 years or more at a particular job or with a particular company and whose job is terminated is great. It requires more than eight weeks for that person to adjust to that situation, be it eight weeks' notice of termination, or eight weeks' pay in lieu. The research branch of your own ministry has made that point rather forcefully in more than one place in its report on termination. Our termination pay provisions are inadequate. Instead of eight weeks we should be talking about something like six months. In that report they surveyed various jurisdictions, and that would not be out of line.

Quebec, for example, grants one month, I believe, after one year. Our one week for less than two years employment is utterly ridiculous. Quebec isn't out of line either. And what constitutes mass layoffs? We call it 50, Quebec calls it 10.

There is the whole provision for large companies laying off less than 10 per cent of their employees, which I brought up in the estimates last year. I talked about specific instances last year, and it still occurs where companies sit down and calculate what's 10 per cent and lay off 9.5 per cent of their employees, knowing very well that's not called a mass layoff; and within three or four weeks, I believe, they can then lay off another percentage which isn't quite the maximum of 10 per cent. So they carry out what's in essence a large layoff which your unrevised section of the Act allows.

You still exempt from termination pay persons who have been terminated during the lifetime of a strike—in spite of having the example of Acme Screw and Gear where it was clear that the workers were finally drawn into a strike situation. They were deliberately provoked into a strike situation and therefore terminated which meant that their employers did not have to pay the termination pay. Acme Screw and Gear then began producing the same products under a different name almost in the same location. This example of what that company has done is widely known. You have not bothered in this ministry to close those obvious loopholes which they saw and which they exploited.

The Employment Standards Act, Madam Minister, is one that particularly intrigues me. It provides minimum standards which for a lot of workers in Ontario are the maximum standards. In this Act many minimums are in fact maximums. It is an Act which I would hope that you would revise very quickly. We still retain overtime pay in that Act; in fact, we just changed from a compulsory 48 hours to 44 in Ontario. Whereas other jurisdictions, certainly in British Columbia, Saskatchewan and the federal government, have overtime pay starting after 40 hours. I'm not so sure if there aren't another couple of provinces added to that by now; but certainly those three jurisdictions. And we have just changed ours to 44 hours from 48. It was a minuscule change, and it should be down to 40.

The hours of work: Here again Ontario ranks about fifth or sixth of these jurisdictions in Canada—sitting there at 48 when it cries out to be 40. I've made the case time



and time again, and when we get into the detailed part of the estimates it will come up again. But there is no justification, no rationale, for overtime hours being left at 48; it should be 40.

There should be a lot of changes too made in the way overtime permits are obtained in this province. Once you have overtime permits by special application to the minister, you can give overtime permits beyond the 100-hours-per-worker average which could be worked. In terms of the economy, where we need to employ more persons and where we are worried about unemployment—at least I hope we are all worried about the unemployment rate in this province—this is one area, Madam Minister, that really needs to be changed to 40 hours. Except in very unusual circumstances, let's get rid of the overtime permits.

There is so much that needs to be done with that Employment Standards Act. As workers become long-term employees, in their 40s or 50s, and have worked for some 20 or 30 years at a plant, in many cases they still have at most three or four weeks vacation a year. Don't you feel that's too few?

**Hon. B. Stephenson:** Yes. Having had no vacation for the last two years, I would certainly agree.

**Mr. Bounsall:** All right, but that's your choice. You haven't worked at the job you are in now for 20 years. After you have been in this particular job for 20 years, you might feel that you need to take four weeks off, or more, over the course of the year. But they have no choice.

One of the things that I think would be very helpful in this Act—not that many might take it—would be to build in a leave-of-absence right, equal to the amount of vacation which they are allowed to take.

That gives them full choice. If they have worked 20 or 30 years for a company, and if they have four weeks vacation and have organized the economic side of their life so that they can afford to take off another four weeks, this should be a right in the Province of Ontario. I see it particularly applying to long-term employees who have jobs involving quite a degree of drudgery. I ask you to consider this concept. It could fit very well into the Employment Standards Act.

I could go on at some length now that I have had the encouragement over there—I will get into some of the details later on in the estimates—but I will end my remarks dis-

cussing an area you touched on earlier. In your report you indicate the number of human rights complaints you are being required to handle. There are a lot. I have never felt that we have staffed that branch with enough people to do much more than handle complaints. I know there is some education going on with employers, for example, around the province in the area of human rights. But with the number of staff—you have 40—and with all the complaints you get, it isn't their fault that they can't handle them adequately. They are overworked.

They have hardly any time for a good education programme around this province. And that's the area they should be working in, because the more education on human rights, and the violations under the code, and teaching people what one's attitudes and responsibilities should be, will result in fewer complaints and inquiries coming in as the years go on. That's the area we should be dealing in, and we don't staff or fund that enough.

You mentioned in your remarks two or three of the areas in which I had a private member's bill. I have approached the Human Rights Commission, both Mr. McPhee and the chairman, Dr. Symons, concerning areas of physical disability, criminal record and political opinion and their effect on a person's employment in this province. I am glad to see that it is formally under consideration. But, incredibly, some of the questions on application forms for employment around this province definitely result in workers not having a chance to be employed. I would hope that we can get physical disability, criminal record, political background and political opinion wiped out as grounds for discrimination in virtually every section in the Human Rights Code.

I would like to take it one step further, Madam Minister. There have been three or four incidents in Ontario that I know of where the person's ability to perform their job was more than adequate. Fellow workers will attest to it. But tremendous pressures were put on those persons by the management. They certainly felt it, to the point where they either quit—which was an easy way for the management to be off the hook—or in some instances they were fired. I would suggest to you, Madam Minister, that we should have sexual orientation added to the Human Rights Code, at least in the area of employment, so that someone could not be fired, could not be let go. There would be pressure on the employer not to put pressure

on an employee who has a sexual orientation not considered the norm.

We have had a civil servant in Ontario let go for those reasons. It is time we had that in the Human Rights Code. I would hope the minister would consider that. This concludes my remarks, Mr. Chairman. I will save the more detailed ones for the various votes as they arrive.

**Mr. Bullbrook:** Mr. Chairman, it is interesting that my colleague ends up with sexual orientation because although I won't address myself to it in a physical sense I will address myself to it as a separate nomenclature, because we are all having a real difficulty here in finding out whether we should call you Madam Minister. I am going to try and circumlocute so that every time I get to you it will be "the minister".

I hearken back to a time when Madame Sauve was chairing a meeting in Winnipeg and they kept calling her the chairperson. I found it not necessarily offensive, but somewhat abrasive; and she pointed out, of course, that if they could bring themselves to be somewhat bilingual Madame la Presidente was quite attractive.

Unfortunately we don't have that. But there is something to me about Madam Minister—I don't want to offend anyone, but perhaps it is because I read a book called "A House is not a Home" once—that doesn't sit well. So I will try through the chair to refer to the minister as "the minister" and recall if I can that it is Madam Minister.

I want to say to you first that I join with others of your colleagues in welcoming you and in being impressed by the responsibility that is given you by the Premier of this province (Mr. Davis), not only in your initial responsibility as a member, but in the responsibility to Her Honour, the Lieutenant Governor, as part of her executive council.

Part of my remarks are not going to be as specific as my colleague from Windsor-Sandwich this time, who has shortened the debate as far as the individual estimates are concerned by making us privy to his thoughts in connection with various of the headings of the votes. I want to generalize.

I want to say that I have always regarded over my term here that the Ministry of Labour is an extremely important one, much more important than the former Premier, Mr. Robarts, thought it to be—and I say, respectfully, much more important than the incumbent leader of government has thought it to be. I want to record something for you so

that you will feel the significance of not only the portfolio, but your position.

[4:45]

I've never seen the Premier of Ontario come down to the estimates committee until today. He sat here while you read your statement. I don't know whether he was giving you signals from the back or just digesting your talent. Presuming that he wasn't doing the former, I think he'd be impressed with the latter. Because to me, although we don't operate necessarily in an adversary system, I don't think there's any doubt that we're going to feel the weight of your intelligence.

There's no doubt that you are an extremely intelligent woman. It must be a prideful thing for you to not only be a member of that eminent profession, the medical profession, but to have led it and to have led its governing body. I think they'll miss you for a short time in that respect.

I want to say to you though, that I intend to co-operate fully. But getting back to the main thrust, because it's not my intention, frankly, to deal with the individual votes at this time, I'm going to express my regrets, through the Chair to you, that I'm not going to be here a great deal of the time because of the concurrent obligation in connection with the Hydro committee. My colleague, Mr. Mancini, the member for Essex South, will bear the burden, along with other colleagues, of digesting with you the various headings.

I want to say to you first of all, in connection with the statement that you've read to us, that I don't minimize the Ontario Human Rights Commission or the question of women's status or the question of occupational hazards or employment standards. I don't in any way. I certainly regard the Labour ministry as a much more vital one than spending 15 pages, to tell us on page 11, for example, as you have, and I'll read it again:

To ensure that hazards are not overlooked at the commencement of 1975 the branch began identifying in writing every instance of a contravention of the standards. That is if 10 punch presses are unguarded, each of these is now the subject of a specific direction.

I appreciate the significance of that. I appreciate, in effect, what you're saying is that the administrations of this ministry in connection with occupational hazards has become much more direct and refined and concerned. But I join the member for Windsor-Sandwich in saying to you that I regarded the most important aspect of your opening statement as those remarks that dealt with



your conciliation and mediation services. I talk about the Labour ministry being so extremely important in the economy. Were I the Premier of Ontario, I would want my Labour minister to be as involved in the economic progress of my province as the Treasurer and that hasn't happened. That hasn't happened.

**Mr. Haggerty:** More so. More so.

**Mr. Bullbrook:** I want to say to you that it seems to me, and I don't mean to be offensive, that a structure has developed in the Labour ministry that regards its obligation to be incidental to the statutes with which it's involved. Basically, the conciliation-mediation programme regards itself as an 11th hour and 59th minute intervention into the collective bargaining process. But what's more important, frankly, is the result of the collective bargaining process.

I want to, if you'd bear with me for a moment, read something to you from Hansard. It's from page 4701 of Hansard of Tuesday, Oct. 6, 1970, and this debate took place with respect to second reading on an amendment to the Labour Relations Act:

The tragic circumstance, as the minister now enters the House, is that there was afforded to this minister an opportunity through this legislation to rectify a manifest difficulty in the economic situation in the Province of Ontario and a difficulty that translates itself to an unbearable economic burden on the public generally, and that is the weaknesses in the collective bargaining situation in the construction industry in this province.

I'm reading with great immodesty from comments of my own. What I was trying to say there, and make it amply clear to all concerned and listening to that debate, is that of course the collective bargaining process has that silent person who's involved, namely the public of Ontario. The collective bargaining process puts upon the public of Ontario the result of the process. It seemed to me that unless we came to grips with the construction industry—because rightly or wrongly, I feel it's the outside industries and the outside trades which lend a flavour to what collective bargaining is in the province. Because of their lending that flavour to the collective bargaining process, more than any others they affect the economic progress to be made.

They begin so often from the archaic point of view that we still live in a climate which renders only six months' work a year to the construction industry and, therefore, its employees. That's been almost traditional and it carries on. I become involved in it as a spokesman again. I said to my colleagues in caucus the other day, "You can't colour

your own attitude outside your own environment."

I happen to represent a riding which, as you know, is highly industrialized and which is highly unionized. At the present time, it is so capital intense that you read in the paper this morning that some 900 people from the United States are working on passes in my area when there was an original application for 2,400.

This leads me to a digression at the present time—I said I was going to generalize but you'll permit me for a moment. Please sequester for yourself the apprenticeship programme. Don't leave it to your colleague, the Minister of Colleges and Universities (Mr. Parrott).

It's there because of an artificial reason in the extreme. If there is to continue to be a liaison between the trade union movement and government in connection with the development of the apprenticeship programme, it cannot be done through Colleges and Universities, notwithstanding what the feds want you to do. Don't listen to them in this respect. They're wrong.

You should have it. Your ministry should have it because your ministry, in the context of your economic responsibility, must provide direction to the trade union movement. You must say to them one thing, "We're not interested in the protection and viability of the individual's workability." I want to explain what I mean by that.

There is unduly a tendency on the part of the leadership of the trade union movement in the construction industry to protect their workers by saying, in effect, "We want to restrict the apprenticeship programme." I believe that to exist. I want to say to you there's an obligation on your part, therefore, to ask for that back and make sure we are providing, under the various apprenticeship programmes, sufficient skilled trades in this province.

Getting back, however, to your statement: The member for Windsor-Sandwich mentioned your comments in connection with the function of your conciliation and mediation services. Yesterday, strange as it may seem—I know everybody felt frustrated today about their inability to get involved in the question period—if you recall, I ended up standing yesterday and the question I was going to put to you was, "What liaison has existed between your ministry and Treasury and Economics in connection with the conciliation and mediation services?"



I find it unbearably unacceptable to read this—let me read something else first. I want to get it on the record because I think it's so important if you're going to do what I consider to be your job. It's the introductory statement by the Minister of Finance to his anti-inflationary programme:

Canada is in the grip of serious inflation. If this inflation continues or gets worse there is a grave danger that economic recovery will be stifled, unemployment increased and the nation subjected to mounting stresses and strains. It has thus become absolutely essential to undertake a concerted national effort to bring inflation under control. There are no simple or easy remedies for quickly resolving this critical problem. The inflationary process in Canada is so deeply entrenched that it can be brought under control only by a broad and comprehensive programme of action on a national scale.

This paper outlines the measures being proposed by the federal government and the obligations that the provincial governments and Canadians, generally, are being asked to assume. Our continuing commitment as a nation to the goal of achieving price stability must be seen as part and parcel of our continuing commitment to the goal of achieving high and stable levels of employment and real incomes.

On Oct. 22 we had a comment by the Treasurer of Ontario (Mr. McKeough):

It is absolutely vital that these price and wage controls succeed. The one thing missing in the public dialogue during the past week has been the resolve to make them succeed. Let me repeat our plea, therefore, that Ottawa and the provinces take a firm position now, and state that exemptions to the guidelines will be minimized both in absolute and percentage terms. The Anti-Inflation Board could then get on with the job of applying guidelines without fear or favour.

In my respectful opinion, the Treasurer abdicated totally his responsibility and the responsibility of provincial governments to not only directly assist but, more importantly, to co-ordinate within their constitutional responsibility—nay, more, their political responsibility—a response to what has been characterized by the Treasurer of Ontario and the Minister of Finance as a crisis situation.

Then, on page 11 of this statement last Thursday, we had the following comment as to what Ontario would do in the private sector: "Offer liaison between Ontario and

the private sector with respect to the operation of the programme." That's what the Treasurer said he felt should be done. Liaison would be offered—and these words are interesting—"between Ontario and the private sector" with respect to the programme.

Today, you said to us, on page 2 of your statement:

While the Anti-Inflation Board is defining its rules and regulations, we have advised the parties to collective bargaining to attempt to make settlements [and here are the operative words] within their interpretation of how the guidelines will apply to them. We have had considerable success with this approach, and you should know that our approach is consistent with the best advice you can obtain from responsible people in Ottawa. Without question, some of the settlements being made will be reviewed and possibly rolled back by the Anti-Inflation Board.

I want to say to you frankly that I really was amazed that your ministry didn't prepare a statement for us in the Legislature as to the implementation, because you're on the co-ordinating committee. The Minister of Health (Mr. F. S. Miller) is on the co-ordinating committee, as I understand it; I couldn't see why, but why you should be on there is obvious to anyone. If there's any portfolio that translates into the private sector the provincial commitment to the federal programme, it's got to be the Ministry of Labour. And if there's any branch within the Ministry of Labour that undertakes that responsibility, it's the conciliation and mediation services branch. Perhaps not; I thought it would be.

In any event, I really anticipated that there would be a statement supportive of the statement of last Thursday in connection with the provincial commitment. We didn't get that, but I want to say this to you: Surely you can't mean what you say here. The hon. Treasurer says to us, to "offer liaison between Ontario and the private sector with respect to the operation of the programme." You notice he doesn't say "between Canada and the private sector with respect to the operation of the programme." You notice he doesn't say "the Anti-Inflation Board and the private sector with respect to the programme." He doesn't say that. He says "between Ontario and the private sector."

I'm very interested, in connection with your general response to your portfolio, as to what you feel is the function of your ministry, I say to you that the people in the

conciliation and mediation services branch must interpret themselves what their responsibility is. That's what the Treasurer tells us. He tells us it's to "offer liaison between Ontario and the private sector." If that liaison is to come about, then I want to know from you, not that you are telling individuals in the collective bargaining process that they must interpret what their obligation is, but that the job of conciliation and mediation services no longer is simply to bring the parties together to a collective bargaining agreement. Rather, it's a larger one; it's to bring them together in a collective bargaining agreement within the context of our total commitment to the federal anti-inflation programme. That's what it is. [5:00]

You've heard my leader speak about what we in the Liberal Party consider an abdication of responsibility. But surely I'm not asking you unduly to agree when I say this has got to be a prime example of what we've been talking about. What the government of Ontario seems to be doing now is dealing in words.

You talk about rollbacks, for example. Without question, some of the settlements being made will be reviewed and possibly rolled back by the AIB. That's where I found the original programme to be extremely deficient—the federal programme—in not containing therein, for justice and equity, rollback provisions.

I'm not the first to say this. I found it absolutely incomprehensible how a federal government, with integrity of purpose, can undertake a programme of this nature while leaving out interest rates and the non-productive financial community. I call them non-productive because I've always felt that their contribution to the gross national product has been artificial at best—using other people's money for their own purpose. But that kind of brings out the socialist in me, so I'll leave that for a moment.

**Mr. Laughren:** Be careful now.

**Mr. Mancini:** You be careful.

**Mr. Bullbrook:** But I'm vitally concerned whether there is to be an imprint from the Ontario government. I suppose it is very important that we deal from a philosophical but practical point of view, with women's rights, with basic human rights, with minimum wages, with occupational safety, with environmental standards.

I think the greatest imprint that I can ask of you, if I may, is to regard the portfolio

as not just a practical, statutory instrument. I believe you have the individual strength and personality to bring upon your cabinet colleagues what I would hope to have brought upon them had I been the Minister of Labour. That is, a realization that the collective bargaining process has to be looked at again in the context of the economic involvement and in the context of what it does to the public at large.

I want to say I don't have any great answers for you. But let me ask you to address yourself, for example, to some of the settlements that have been made in the construction industry. I don't say for a moment that there are simplistic solutions to anything.

On Oct. 6, 1970, do you know what I was talking about? I was talking about co-terminal bargaining and mixed trade bargaining. We talked about the economic impact of settlements in the construction industry, and about mixed trade bargaining, co-terminal bargaining. In December of last year you appointed Mr. Franks—correct me if I'm wrong here—December of last year, wasn't it.

**Mr. R. D. Johnston:** I'm not sure of the date.

**Hon. B. Stephenson:** December I think.

**Mr. Bullbrook:** About then, all right. The point is I want you to get the chronology of these things, okay? In my comment of Oct. 6, 1970, I didn't say that there were any great, simple solutions. But we invited the Ministry of Labour then to think about mixed trade bargaining. Because you see what happens in Sarnia and in Toronto. You saw it last July in Toronto: The carpenters go out on strike—nothing new about this at all—for 17 weeks, they—I'm sorry, were you saying something?

**Mr. Mancini:** I was just telling them to listen to you, because this is very important.

**Mr. Bullbrook:** Don't worry about that, this is a game we play. On Oct. 6, 1970, we talked about that.

**Hon. B. Stephenson:** July, 1975, is what you are talking about right now.

**Mr. Bullbrook:** July, 1975. So we went from Oct. 6 of 1970, when the suggestion was made, to July of 1975 to consider the appointment of the construction industry review panel and a background paper was published in October of this year. I want to read from page 10 of it:

The multiplicity of bargaining situations leads to the problem that those who affect



bargaining or who are affected by bargaining are frequently not present at the bargaining table. The problem faced by this commission is thus, to find ways of reducing the total number of bargaining situations. Logically it would appear that this can be done by moving in one or other or some combination of two general directions. The present number of bargaining units can be reduced; that is, the present groups are consolidated into fewer but larger groups. On the other hand, the bargaining situations themselves could be co-ordinated so that the net result is fewer bargaining situations. Each of these directions raises certain difficult problems.

It certainly does; but one of the greatest problems, I say to you, and I say more through the chairman, through you, to the officials of the ministry who must guide a minister, why do we have to wait so long?

Now we are into a crisis situation. It took us that long to consider the structuring of a review tribunal in connection with collective bargaining in the construction industry. Now we have a background paper. This is just a background paper, Mr. Franks' background paper, that I refer to.

This is what I mean about the Labour portfolio and I am going to close in this respect, because this is just what I wanted to dwell upon, it's the fact that the Labour portfolio must lead, hand in glove with the Treasurer, in developing an economic situation and recognizing what the collective bargaining process does to an economy. I want to make it amply clear that I have said in this statement and I have said elsewhere, I have often said that I regard the Labour portfolio as the poor relation of government and it is somewhat obvious. Hearken back, for example, to the last election campaign if you would, along with me; with the exception of some comments on occupational hazards, there was really never a very significant debate or very broad viewpoints put forward on what the position of the Labour portfolio is, and I think that's a fault of all of us really.

I want to personalize again in saying to you, in my city I did otherwise. I thought it was very incumbent upon me, with the high incidence of organized labour, for me to discuss what I felt proper attitudes would be in the collective bargaining process.

I say to you, through the Chair, I begin by the concept that the collective bargaining process is almost sacrosanct as far as I am concerned—it is almost sacrosanct, not entirely—but I say we have got to look at alter-

natives to it or combinations of alternatives with it. If we are going to have to wait—and I hope we won't, under your aegis—five years for impulses to protect the economic integrity of our province and to assist in protecting the economic integrity of our nation, we are really going to be in trouble.

I don't want to dramatize unduly in closing, but let me say this to you: Many people are saying, "What's happening to our country?" Many people are saying that. Many people are absolutely fearful of where we are going, and if we have been rather filled with inertia on the federal level as I think we have to respond to that, I don't think we can really hold our head any higher on the provincial level. I think, frankly, that we haven't recognized the responsibility in the provincial government and mainly in your portfolio, to which I address myself now, to hurry up with what you are doing. I say to the minister through you, Mr. Chairman, you have an obligation to instruct your conciliation and mediation services as follows: You cannot leave to the individual parties to a collective agreement to interpret their obligation to the federal AIB. You can't do it. You have got to tell them. That is your responsibility. It is going to be a tough one to undertake. It is really going to be a tough one to undertake, but these comments are part of the general comments that you recognize that we have been undertaking in the House.

I am going to close by saying to you that I really appreciate the time you have given to me. I haven't dealt with the detailed votes. There are many other things that we want to talk about but I wanted to convey to you what I felt was, as I said before, a colouration of what I think the Ministry of Labour should be all about.

**Hon. B. Stephenson:** Mr. Chairman, might I say that I am grateful to both Mr. Boun-sall and Mr. Bullbrook for the careful outline they have given me of their interpretations of what the Labour ministry should be. They are not always parallel obviously and they are not always parallel with mine either, but they are going to be of inestimable value to me in further consideration of the responsibilities of this ministry, which I too consider to be one of the most important within this government.

I think that we are probably having a little difficulty with Mr. Bullbrook's interpretation of my remarks at the opening. Probably the difficulty is simply with semantics because the ministry feels that it does have a responsibility to provide our conciliators and the



people whom our conciliators serve with the direction which this province feels should be taken vis-à-vis the Anti-Inflation Board and its regulations for the benefit of all of the people of Canada. But we do feel—I feel, at least—very strongly that the role of the conciliators and the mediators, which after this crisis has passed, must continue to be as effective as it has been in the past, must not be sullied by asking them to be specifically interpreters or missionaries, if you like, of the Anti-Inflation Board. It is the Labour ministry's responsibility to get this message out to all of the working people, and I consider myself one of the labour force, since I have been working for at least the last 30 years.

**Mr. R. S. Smith:** I hope.

**Hon. B. Stephenson:** I hope, yes. But I feel very strongly that, while the conciliators and the mediators must supply those people whom they are serving with the best and most accurate information possible, they must not be advocates on either one side or the other. They must give the information and allow the groups to make their own decisions. The guidance, I believe, in terms of philosophy, must come from the government itself. I see that as my role as Minister of Labour, and I would agree with you that this is one of the things that I should be doing quite actively right at the moment. I would not ask the conciliators or the mediators to do this specifically.

**Mr. Bounsall:** That was the point. You started off by saying that you have asked them to give direction and then you say not to give direction specifically.

**Hon. B. Stephenson:** No, I have asked them to give information.

**Mr. Bounsall:** What information are you asking them to give?

**Hon. B. Stephenson:** The information regarding the latest interpretation of the regulations of the Anti-Inflation Board, the information which is necessary to the bargaining parties to decide upon their positions regarding their negotiations.

**Mr. Bounsall:** Do you get regular communications on interpretations?

**Hon. B. Stephenson:** We are getting them by Telex right at the moment, yes. They change almost daily, I would like you to know—well, not totally, but there are variations and shadings which are modified daily.

**Mr. Bullbrook:** Do I understand the minister correctly that on page 2, in the second

paragraph, by the word "their" the ministry is referring to the Anti-Inflation Board and not the parties? Is it a question of English then?

**Hon. B. Stephenson:** I think so.

**Mr. R. D. Johnston:** May I speak to this for a moment? Maybe even the word is badly used.

**Hon. B. Stephenson:** Right.

**Mr. R. D. Johnston:** What is meant there is that, as the minister has said, having given all the factual information that our officers can get to pass on to the parties about the anti-inflation legislation and the regulations that will eventually come and the case decisions that will eventually come, then the parties have to apply that to their situation. Maybe it is not so much interpretation as that the parties, armed with all the information we can give them, have then got to decide whether circumstances of their case would mean they fall strictly within the guidelines or whether they would fall within whatever exceptions the regulations may ultimately describe.

**Mr. Bullbrook:** Would I be correct in assuming, without digressing unduly—I take it we are now into a dialogue?  
[5:15]

**Mr. Chairman:** I am just ready to bring it to the attention of the committee that really we are in the point of the discussions where the minister would reply, and then we would get on to this type of discussion vote by vote.

**Mr. Bullbrook:** All right.

**Hon. B. Stephenson:** Mr. Chairman, if you would allow me the leeway, I would like to add to the deputy's response to this. My feeling is that the parties should make their decisions, not simply in the light of the factual information which is brought to them by the conciliators, but also in the light of the philosophy and the direction which I would hope each of those parties would have received and would have ingested from the government of this province and from the government of Canada.

If I might just make a couple of comments—and I'm not going to go into these things point by point—but there are one or two things I think should be said. I think Mr. Bounsall's concern regarding the equal pay for work of equal value problem, of course, is at the moment being studied. We are expecting a report within a relatively short period of time from the committee which has been examining this problem.

Hopefully, this is going to help us and provide us with some guidance in this area.

I am interested in your concern about paternity leave. It is quite unusual for a Canadian male to be the least bit concerned about paternity, particularly in terms of his moral responsibility to his children and his parental responsibility, and I find this quite refreshing.

In Mr. Bounsall's remarks there was the statement that the Minister of Labour specifically should be the spokesman for workers. I would agree with that completely, but I would remind you that I believe the Minister of Labour should be the spokesman for everyone who works, whether it is for remuneration or without remuneration within this province. I would strongly support that kind of arrangement.

Mr. Bounsall mentioned the Falconbridge settlement, and I would remind him that that settlement was arrived at with the considerable assistance of the mediation-conciliation branch of the Ministry of Labour and was, of course, based upon the settlement which had been established at Inco, because there is that historical relationship which has been in existence for a very long time.

The minimum wage is something that we do look at regularly, in fact continuously. There are certain specific things which I should say about this, but I am sure we will get into that discussion when we look at the specific items under the votes.

I am sure you know termination of employment is being examined by the ministry. This whole legal problem at the moment is one which has some very knotty issues in it, some of which were induced by previous legislation. Those must be removed, it seems to us, in whatever new legislation we develop. We have to undo some of the problems which we got into as a result of perhaps too hasty action in the past in developing legislation regarding this, but it certainly is an important aspect of this ministry.

I would simply close my brief remarks by saying that I am grateful to both of you. I found both your interpretations of this ministry extremely interesting and I'm sure they are going to provide me with some parameters between which I shall wander from time to time.

**Mr. Chairman:** Thank you very much.

We will now commence the discussion vote by vote. In the previous estimates we seemed to keep things in a very orderly manner by having those members wishing to speak so signifying to the Chair and the Chair keeping

a list. I will try to do the same and I hope it works out as well as it did for the last few days.

On vote 2101:

**Mr. Bounsall:** I understand you are undergoing a reorganization within the ministry and I would like to hear quite a bit about that at some given point. Before the election campaign I would phone ministry people with whom I was used to dealing. But after the election campaign I phoned the same people—Mr. Kinley, who was the head of the employment standards branch—and they are no longer there. They are all involved in the reorganization, or they had been reorganized themselves. I am interested in what stage you are at in the reorganization and where it is exactly you are heading.

**Hon. B. Stephenson:** Since the deputy minister and Mr. Hushion have had much more experience than I with this process of reorganization, which I will admit is slightly complicated, I would ask your indulgence to allow him to speak on the subject of reorganization.

**Mr. R. D. Johnston:** I don't know how much detail you want to get into on this. We have supplied each of the parties with the printed matter on our reorganization. I think a copy went to you and the critic for the other party as well as to our own caucus, the government caucus.

The reorganization is still under way. We are in what might be called the implementation phase of reorganization. We have set up a task force that's supposed to finish its work about the end of this month in terms of detailed reorganization. That's why the people you're phoning are not at their desks and other people are acting for them, because a number of key branch heads have been detached from their regular duties for about six weeks to work on the implementation of the reorganization.

The most visible part of the reorganization that you will see, and that you may want to talk about in more detail when we come to either occupational safety or employment standards, is in the delivery of those services. That's where most of our field operations are, and we're going to move what we're loosely calling a greater regionalization of our services by setting up district managers in four parts of the province. To these people will be delegated quite a bit more authority than has previously been delegated to the field which now rests with the functional heads of industrial safety, construction safety and employment standards.



This way we'll be able to respond more quickly and more authoritatively to our clients in the field. In order to get answers in the future, people won't have to have their inquiries funnelled vertically up a functional ladder to someone usually in Toronto. At the same time, at head office, we're going to organize things so that we have a rather broader approach to policy development, to planning, to programme review, to monitoring policies to see whether they are being effectively delivered; and the line people in the field will be involved in that process. One of the moves that you have obviously realized is Mr. Kinley's. He has moved from the research branch to be ministry co-ordinator which permits a more effective policy development and planning across the whole ministry, including the agencies as well as what we used to call the department.

Perhaps I shouldn't say much more than that for now. You may have some specific questions you may like to ask but that, in a very broad way, is the more visible part of our reorganization which flows from the role of the review of the ministry which I think we discussed last year and which you and others have seen.

**Mr. Bounsall:** You say you test various persons for six weeks in their positions? You've about completed that, have you? Will it be the end of this month when you've completed the reorganization?

**Mr. R. D. Johnston:** That's right, except that the most obvious part of the reorganization will be some new appointments and we are going to run competitions for the four regional director positions and for the heads of occupational safety and employment standards at head office. Those, hopefully, will be completed and the positions filled, some of them, no doubt, by people already in the ministry, by early December. We hope to have the whole thing functioning on the new basis by the beginning of the next fiscal year. There is still a bit of transition to come.

**Mr. Bounsall:** What are the four regions now? Are these regions for the purposes of field service.

**Mr. R. D. Johnston:** Essentially, yes.

**Mr. Bounsall:** So you would have someone in charge of each of these regions dealing with construction safety problems as well as employment standard problems?

**Mr. R. D. Johnston:** And industrial safety and information, and we even hope, as was mentioned in the debate on the Labour Relations Act, to have some ability in the field, through the regional offices, to deal more effectively with inquiries about people's rights and obligations under the Labour Relations Act. Although the concentration is going to be in the three areas I've mentioned, there will be other services in the field that haven't previously been available.

**Mr. Bounsall:** Have you chosen the locations of those regional offices yet?

**Mr. R. D. Johnston:** Not finally. I would say at the moment that they're going to be Toronto, London, Sudbury and either Kingston or Ottawa, is that right?

**Mr. Bounsall:** Just one other comment on the main office—a small point. Ten employees, eight full-time and two temporary.

**Mr. R. D. Johnston:** What page are you looking at?

**Mr. Bounsall:** These are notes taken from the book that you supplied to accompany the estimate; the explanatory material. That is for these estimates. You indeed average about \$43,000 in salary for these 10 persons.

**Mr. R. D. Johnston:** Do you think you might tell me what page we are on?

**Mr. Bounsall:** Salaries and wages is \$429,800. I assume that covers these 10 persons. There are no more than these 10? Under main office, salaries and wages is \$429,800. On page 17, under explanatory material, the staff is eight full-time and two temporary. Are there only 10? Am I matching this up correctly? With an average salary therefore of around \$43,000?

**Mr. R. D. Johnston:** There is some confusion obviously.

**Hon. B. Stephenson:** I should say. Under main office.

**Mr. R. D. Johnston:** Sorry to take so long. I think there must be something wrong. Vote 2101 would cover more than just what's called activity on page 17. It's called activity 5.1. Vote 2101 would include also the stuff on pages 18 and 19.

**Mr. Bounsall:** Oh yes, we have that broken down further. Under the main office, salaries and wages, \$429,800 and under explanatory notes, under main office, total complement is 10, eight full-time and two temporary. Now what I'm saying, under the legal branch—



**Mr. R. D. Johnston:** Are you still on page 17?

**Mr. Bounsall:** Yes.

**Mr. R. D. Johnston:** Of this book? That book you're reading.

**Mr. Bounsall:** Mine is a different colour.

**Mr. R. D. Johnston:** Yes.

**Mr. Bounsall:** Mine is white with a different heading.

**Mr. R. D. Johnston:** I don't know whether you are talking about the 10 complement or the \$44,600. Is that what you are trying to relate?

**Mr. Bounsall:** The material that has been given to me in the explanation to the estimates, this one. There is a total column under main office of 10 and you look under the main office detail vote and you have \$429,800 for wages and salaries. I'm just interested in the \$43,000 average. I'm interested in that.

**Mr. R. D. Johnston:** Well, it's obviously not correct. That is not the average salary of the people in the main office. I think that this salary and wage item in main office must include some other things such as our summer student programmes and a number of other activities that wouldn't be applied against the complement.

**Hon. B. Stephenson:** Could we ask Mr. Morgan to—

**Mr. R. D. Johnston:** John, do you want to come forward? Do you understand the question?

**Mr. Morgan:** There are approximately six full-time complement people in there. They're not part of the full complement staff. They are full or casual staff in the minister's office in addition to the 10 people. In addition to that, we have some summer student programmes associated with the main office.

**Mr. Bounsall:** A further question on that. Are your summer student programmes authorized for the ministry charged to the particular branch of that ministry in which they go so you had some summer students attached to the main office and those funds came out of there? How much funds would that be? Summer students for the main office.

**Mr. Morgan:** We would have to look that up for you and get back to you on that. I don't believe we have that much detail with us.

**Mr. Bounsall:** Did you have three or four students for four months?

**Mr. Bounsall:** Eight or 10?

**Mr. Morgan:** Three or four, I believe. We had \$350,000 for the youth programme.

**Mr. Mancini:** Probably at the minimum wage.  
[5:30]

**Mr. Bounsall:** But that wasn't all charged to the main office was it?

**Mr. Morgan:** Yes.

**Mr. Bounsall:** All charged to the main office, \$350,000. So the average salary of the 10 then, not including the other six you've talked about, would be \$7,900, if those figures are correct.

Three hundred and fifty thousand dollars was all charged to the main office. What were the salary components of that \$350,000?

I'm not trying to get at the average salary and wage of those 10 people so outlined. Let me say I think you should clean up the way you present the material. If in fact 10 people under the explanation of the main office do not take up the \$429,800, somewhere under main office, you should talk about a bigger complement of eight and two. It should be outlined a little more clearly than done in this estimate.

**Mr. R. D. Johnston:** I'm inclined to agree with you. The problem is there isn't a complement aspect to the summer student programme. Part-time summer students are not charged to complement because they are only employed for a few months. What I think you are really saying is that we ought to break out more clearly the summer student programme, because that's what's making the figure so large, and causing this question.

**Mr. Mancini:** Yes, but you can give an estimate, sir.

**Mr. Bounsall:** Yes, was the entirety of the summer student programme charged to the main office?

**Mr. Morgan:** Yes.

**Mr. R. D. Johnston:** That is my understanding.

**Mr. Bounsall:** Charged to the main office.

**Mr. R. D. Johnston:** And that included several different kinds of programmes—one that we operated in the industrial relations field, one that we operated in the safety area,

another that we operated in the employment services area—involving probably a couple of hundred students all together.

**Mr. Bounsall:** All right. So if anyone wanted to talk about the summer student programme it's all here, right at this point and no place else?

**Mr. R. D. Johnston:** Yes, I would believe so.

**Mr. Bounsall:** If we had gone on to another further vote, we would have been referred back and told that's vote 1, and it's gone.

**Mr. R. D. Johnston:** Is that right, Gord? Is there any money for student programmes anywhere but in the main office vote?

**Mr. Webster:** The main student programmes are in the main office.

**Mr. Bounsall:** Then let's talk about the summer student programme for a while. You had it in about three different areas—what was your total complement?

**Mr. R. D. Johnston:** I think they are getting the answer for you.

It is my impression it was under 200, that there were about 50 in what we now call the industrial relations programme, what we used to call STIR—short for Students Training in Industrial Relations—where we bring people in from colleges and universities who have shown an interest in a career in the labour relations field, and we attach them on a short-term apprenticeship basis to employers and trade unions. They have an immersion programming, and a debriefing again at the end. Another programme is in the area of safety, where we used a number of students to do work of a fairly routine nature that we hadn't been able to get around to, particularly in construction safety.

In the women's programmes area another group was involved in conveying information to the public at meetings, at fairs, and that sort of thing—about equal opportunities for women.

I may be missing some. But that's the kind of thing we've been doing.

**Mr. Bounsall:** Two hundred in total. Did you have one person in charge of the hiring and the placement of these students?

**Mr. R. D. Johnston:** The personnel department was involved in every case, but the actual process of hiring varied from summer programme to summer programme. We had a

different group of people screening them, because we wanted to screen them with people who knew the subject area.

**Mr. Bounsall:** So apart from the mechanics, done by the personnel, you didn't have one person overseeing the three programmes? They were distributed throughout the ministries where the activity was to occur?

**Mr. R. D. Johnston:** And in most cases there was a kind of selection committee, and personnel would be involved in every case, but we had a different group of people to screen the applicants for the industrial relations programme than we did for the safety programme, for example.

**Mr. Bounsall:** Therefore, as we get to each of the individual specific votes, it is quite appropriate to talk about the summer student programme evolving in their area. Is that right, Mr. Chairman? Because they, in fact, did the screening and what have you and I suggest oversaw the particular programme within their particular area of the ministry?

**Mr. Chairman:** Except that as I understood it most of the funds were available and that's where we are discussing the estimates, in the funds. Most of the funds are in this vote. Is the other information available yet?

**Mr. R. D. Johnston:** Do you have any better details on how many students we employed last summer?

**Mr. Webster:** Yes.

**Mr. R. D. Johnston:** Do you want some more detail on this? I have it here now.

**Mr. Bounsall:** Please.

**Mr. R. D. Johnston:** We had a grand total of 243 summer students. Of those, 153 were in the Experience '75 type programmes; and 90 for the usual sort of summer students that every ministry hires, to fill in for people on vacation and that kind of thing, and the total amount of salaries spent on these students was \$256,000 in the Experience '75 type programmes—and that, as far as I know, is budgeted where we have been discussing. The balance, another \$243,000—which is for the people filling in, scattered throughout the ministry—would be charged to the individual branches.

**Mr. Bullbrook:** How are they chosen, or has that been asked?

**Mr. R. D. Johnston:** He asked me something about that, but maybe not everything you want to know.

**Mr. Chairman:** Mr. Smith was next on the list.

**Mr. R. S. Smith:** I have a question. It is not following this, though, but it is to do with the main office and the involvement of late in the Abitibi strike, which is since early July, about a meeting that was held in your offices the day after Thanksgiving. At that time we were given to understand through your office that there would be some initiatives taken to bring together the parties. I understand now, after some weeks, that Abitibi and the trade union that is represented by them started to meet on Tuesday of this week and that Mr. Dickie is the mediator. Is that not correct?

**Hon. B. Stephenson:** Mr. Dickie has been there as a resource person. He has not been functioning specifically as the mediator. Mr. Scott has been functioning in that area. The groups are still meeting—as of this afternoon they were still meeting at any rate. They met Tuesday and Wednesday and then today.

**Mr. R. S. Smith:** Okay. I just wondered how Mr. Dickie was going to do both; how he was going to look after the teachers and this other one, which is just as important and even bigger than the teacher strike across the province, but obviously they come second to—

**Hon. B. Stephenson:** No.

**Mr. R. S. Smith:** It certainly appears that way, because in the release that was put out Mr. Dickie was named as the person who would take part in the mediation between the union and Abitibi, and then after three days we see that he is now appointed to do the same with the teachers. I realize he is your best person or, presumably, your top person. You have some difficulty doing this but I think people should know what is happening.

**Hon. B. Stephenson:** I think, Mr. Chairman, if it meets with your approval, this entire subject of conciliation mediation might be discussed under that heading. Mr. Dickie will be here for that discussion and perhaps he can amplify my statement that the Abitibi situation does not come second to the teacher situation.

**Mr. R. S. Smith:** Perhaps if it meets with your approval, I will ask you a couple of other questions. This is a secondary thing to what I want to ask, really. This does come under this vote because you were involved

and your pay is under this vote—this is head office we are talking about. The involvement and the initiative came through the head office so it can be construed as coming under this vote and that is why I am asking a question here—also because it is very relevant at this time.

I sat all through the question period and tried to ask it but couldn't get on so that is why I am here now. I would like to ask you what has happened since Tuesday in the negotiations between those two parties. This is the bench-mark which will be used across the province to settle the total strike which is involving thousands and thousands of people. It is of some significance and importance, particularly in the northern part of the province.

**Hon. B. Stephenson:** I can't tell you precisely what has gone on in terms of the discussions which have taken place because, of course, I have not been present. The discussions, however, have continued. I gather there was an offer made by Abitibi and I hope to learn this afternoon that the union's reply to that offer would be presented within this afternoon's meeting.

**Mr. R. S. Smith:** Has Abitibi changed its position in regard to its attempts to bargain separately with the different types of production units presently within the bargaining unit? That was significant to any type of bargaining whatsoever, to start.

**Hon. B. Stephenson:** The company and the union did meet, in spite of that difference of opinion previously.

I have a little bit of concern, Mr. Chairman, that any airing of the details of the negotiation which is going on right at the moment might jeopardize the discussions which are taking place. I feel very strongly that I should not supply those few details I do know about the situation right at this time.

I agree with you this is an important problem, an important dispute, and one which, because I believed it was tremendously important to the economy of this province, we did take some part in arranging a reopening of discussions and negotiations. I have been tremendously impressed with the concern expressed to me by the mayors of the towns in which the plants are situated. I have been impressed by the concern expressed to me by other members of this Legislature.

As a result of that concern, we did bend our best efforts to attempt to bring these



parties back together. I think this is a very sensitive area right at the moment and I would not wish to do anything which could in any way impede the progress of the discussions which are going on.

**Mr. R. S. Smith:** I am not trying to impede them, either. I have been one of those who has been trying to bring them on, with varying degrees of success. On the other hand, I think the general public has a right to know what the position is. The public is involved in this because, besides the thousands of people who are on strike, there are other thousands of people—many thousands—who are dependent, mostly in these one-company towns.

**Hon. B. Stephenson:** Mr. Chairman, that was exactly the point of view I was trying to express.

[5:45]

**Mr. Norton:** On a point of order. As a freshman in this forum, I would ask the chairman if he might clarify the procedure in this committee. It has concerned me for some time. I understand there's a great deal of flexibility and that that's traditional in this committee. But I'm also concerned, considering the time restraints that we face, that we have over the past several days that the committee has met ranged far and wide over areas that I think might more properly be addressed to the minister in the House, and which are really informational and not necessarily related to the question of the estimates. Unless I am in error, it would appear to me that the function of the estimates committee is—

**Mr. Laughren:** Off-hand, I'd say yes.

**Mr. Norton:** I'm sure you would, but I'm asking the chairman. I think that the earlier questions directed by Mr. Bounsall were much more clearly within what I would see as the purview of this committee. Is it proper for us in this committee to range and to fish for information—which is certainly legitimately sought; I'm not suggesting that that's not the case, but the time is taken in this committee and therefore it avoids dealing with the matter of the estimates which are before us.

**Mr. R. S. Smith:** Could I speak to the point of order, Mr. Chairman? I think that traditionally—and perhaps the member from Kingston is not aware of this—the range of coverage in the committee has been very broad. It is a place for people to fish for information, because if you can't fish here you might as well fish out that window, because you're not

going to get it anywhere else. The purpose really, of the estimates is for the members to find out how the money is being spent, what the government programmes are and what the issues are that the government sees as important and how they're dealing with them. It's very broad as far as I'm concerned. If there's going to be a much more structured and strictured interpretation of the estimates, well then fine, we've been wrong for the 10 years that I've been here. Maybe we should turn the clock back and start all over again.

**Mr. Norton:** Mr. Chairman, I was not suggesting that. I was asking for information. I wouldn't disagree with the items that the hon. member has suggested are within the purview of this committee, things relating to policy, to the expenditure of money, how the money is being spent, where the ministry is active at the time. But is it in fact something where one ought to be trying to deal with specific things relating to negotiations that are ongoing at the moment, such as the questions he has been putting to the minister? It would seem to me that that kind of thing would much more clearly be something directed to the minister in question period in the House.

**Mr. R. S. Smith:** On the same point of order, I would say that the questions are acceptable either here or in the House. I think that has been the way the estimates have been dealt with in the past. If it's going to be different, then set different rules and set some guidelines.

**Mr. Norton:** But surely it doesn't really relate to policy or expenditure of funds within the ministry, does it?

**Mr. R. S. Smith:** It certainly does. It relates to the policy insofar as their lack of inability to get involved in this strike some months ago when they should have been.

**Mr. Chairman:** We are now getting into a debate. I believe this started on a point of order. I'd like to suggest to Mr. Norton and to other members of the committee that the first item in the first vote, no matter what ministry is under discussion, usually is somewhat wide-ranging.

**Mr. Norton:** So I've noticed.

**Mr. Chairman:** If it's the wish of the committee that the chairman is much stricter, I'll certainly take the guidance of the committee.

**Mr. Bullbrook:** You cut me off before, and I didn't find that to be unduly—I think it's understandable. If I might just say this for a moment, I think the member from Kingston

brings up a valid point. It's hard to understand that when you're talking about money, you're really not talking about money but you're talking about the reasons behind it. It is traditional that under the main office vote, because we deal with policy and the minister is the instrument of that policy, we do range rather widely.

**Mr. Chairman:** I appreciate Mr. Norton's concern because of the number of days this committee is sitting. I think that is his concern. I am sure all members will govern themselves accordingly.

**Mr. Cassidy:** On a point of order, Mr. Chairman. I must say we have never had that solicitude for the committee and from a government member before; and the fear on the part of a government member that we might take too long is really quite a change.

**Mr. Norton:** Go ahead, Mr. Cassidy.

**Mr. Cassidy:** The sort of conscience of the committee here.

**Mr. Chairman:** Mr. Smith has the floor.

**Mr. R. S. Smith:** The minister, then, is indicating that right now you are not prepared to answer any question in regard to the negotiations themselves.

**Hon. B. Stephenson:** I am very much prepared to convey to you the information that this ministry is actively involved in attempting to reconcile the two parties to that dispute. I am not prepared at this point, unless I am guided by Solomon or someone above, to reveal the details of the negotiations, to reveal the positions of the two parties. It seems to me that that is information which should be privy to those within the negotiation at this stage of the game.

**Mr. R. S. Smith:** And no one else.

**Hon. B. Stephenson:** I haven't heard very much about it, but perhaps it should not be available to anyone else at this point, because it is a private kind of negotiation.

**Mr. R. S. Smith:** It isn't a private kind of negotiation.

**Hon. B. Stephenson:** Sir, may I say that I am acutely aware of the detrimental effects of this strike to the economy of northern Ontario, and specifically to the large numbers of people dependent upon those industries in towns and villages in this province. Because of my awareness and my sensitivity

to that, we have done everything within our power to get these groups back together after a prolonged absence from the bargaining table. I feel just as sensitive about the fact that we have gotten them back together now, and I don't want to do anything which is going to disturb that process at the moment.

**Mr. R. S. Smith:** Okay, fine. Then you are not willing then to comment on what the positions are of the two parties, whatsoever.

**Hon. B. Stephenson:** I think it would be improper for me to comment upon the positions of the two parties right at this point.

**Mr. R. S. Smith:** Okay, fine.

**Mr. Angus:** Are you optimistic about the outcome?

**Hon. B. Stephenson:** I am an eternal optimist; I am hopeful, yes.

**Mr. R. S. Smith:** We have been eternally optimistic that the government would be involved for some months in this. And there were presentations made to the Premier (Mr. Davis) himself back in early August in regard to this matter—that the government become involved. He handed it to somebody else, and the person he handed it to happened to be part of the bargaining group representing the management, who was presented with a presentation from the union group. So it is a very iffy kind of situation. But I will be satisfied if the minister will undertake to indicate as soon as possible where the negotiations stand so that those people who are anxiously awaiting some word might have some kind of assurances.

**Hon. B. Stephenson:** That I shall.

**Mr. Germa:** Mr. Chairman, I was intrigued by the minister's statement as to how she saw her job—that she was the spokesman for labour. This is indeed a large step forward from the attitudes of our past minister. When questioned on this subject, rather than a spokesman for labour, he presented himself as the juggler between labour and industry—and he ended up going no place. His bias was quite apparent.

I would hope that the minister would maintain her attitude in the cabinet. There are various other ministries who speak on behalf of industry, but labour in the past has not had a direct spokesman. Labour ministers in the past always saw themselves



more as arbitrators rather than as direct spokesmen in order to deal with other ministries who speak only for industry. I suppose the truth of your statement will come out the first time we have a crunch between labour and industry, and then we will really know what you meant when you said those words. I would encourage you to maintain that attitude.

The point I would like to raise under main office—I think it has to be raised here—is that there are probably 50,000 or 60,000 workers in Ontario who are denied the dubious benefits that could accrue to them as a result of coming under the Ministry of Labour. I am speaking about those people who have to work under the Mining Act; those people in the mines, quarries, smelters and mills in the Province of Ontario. We have belabored the Minister of Natural Resources (Mr. Bernier) to get out of this field.

I'm speaking about the restructuring of the Ministry of Labour and whether this problem was taken into consideration. Is the minister aware of the discontent in the mining and smelting industry among workers who get very little protection from the Mining Safety Act or the Mining Act? The Ministry of Natural Resources has a built-in conflict of interest in that that minister is responsible for the exploitation of natural resources. He does not see his role as protector of the workers who are involved in the work in natural resources. I would like to ask the minister directly—have there been discussions going on in the cabinet between you and the Ministry of Natural Resources to transfer this large body of workers away from the Minister of Mines, because he has abdicated his responsibilities absolutely as they relate to protection of the workers under this ministry.

**Hon. B. Stephenson:** There have certainly been interministerial discussions regarding the safety and health of those involved in mining occupations. Insofar as the actual transfer of functions is concerned, I am not aware that any discussion of that sort has taken place. But then I've only been in this ministry, you will remember, for four weeks and I'm not aware of all the discussions that have taken place in the past.

I can assure you that the concern about mine safety and mine health is primary to the development of the occupational health accord within this government. It is going to involve four ministries—not simply Labour and Natural Resources, but Health and Environment as well. This kind of concern is central to the development of that committee—that accord in that direction.

**Mr. Germa:** Could I ask what your attitude is to this proposal? You did say, "I'm going to represent everyone who works." That was your statement—I copied your words down verbatim. You want to represent everyone who works.

**Hon. B. Stephenson:** Everyone who works whether they get paid for it or not—you've forgotten one important thing.

**Mr. Germa:** Exactly. People who work in mines and mills and smelters are also people who work. What is your personal attitude towards this? Do you think that these people should be removed from Natural Resources and brought under your umbrella?

**Hon. B. Stephenson:** I would think that safety in the work place is the responsibility of those who are primarily concerned about the workers in that work place.

**Mr. Germa:** I can rely on you then to go back to the cabinet and—

**Mr. Wildman:** Is that you?

**Mr. R. S. Smith:** You sound like the Premier already.

**Mr. Germa:** Can I rely on you then to go back to cabinet and make a presentation on behalf of those 50,000 or 60,000 people who are now covered by another minister? They have no faith in him, partly because he's too preoccupied with the exploitation of the resources rather than with the protection of the workers.

**Hon. B. Stephenson:** Mr. Chairman, can I tell the member that he can rely on me to investigate thoroughly the problem which he raises, develop some knowledgeable opinions about this and, when I have them, to present them to cabinet.

**Mr. Germa:** If you want to represent all the people who work in Ontario, I suspect that you also have to get these 50,000 or 60,000 people under your umbrella.

**Hon. B. Stephenson:** That is a distinct possibility.

**Mr. Bounsall:** It is all very anomalous to me that we should have the safety area within the Ministry of Labour, which looks after industrial safety and construction safety, and then hidden away in another ministry is mine safety. It's not a logical designation, and everyone's been saying this for five years in the Labour estimates.

What Mr. Germa is saying, is that no one has really taken the initiative and said look,



let's get all the safety together. You're going to have regional directors now—one for the north sitting in Sudbury whose sole job is to look at industrial and construction safety, but who can't go near the smelters and the mines. That's really anomalous to have one of your regional directors up there who doesn't go in and have anything to do with the mines and the smelters and so on. From that viewpoint alone it looks to me very

compelling. Let's have you do something in terms of getting everything under the one general area.

**Mr Chairman:** Thank you, Mr. Bounsall. It is now 6 p.m. and Mr. Mancini will be the first questioner at 8 p.m. when we come back to committee.

The committee recessed at 6 p.m.

## CONTENTS

Thursday, November 6, 1975

Opening statements .....	S-151
Ministry administration programme .....	S-167
Recess .....	S-175

## SPEAKERS IN THIS ISSUE

Angus, I. (Fort William NDP)  
 Bounsall, E. J. (Windsor-Sandwich NDP)  
 Bullbrook, J. E. (Sarnia L)  
 Cassidy, M. (Ottawa Centre NDP)  
 Germa, M. C. (Sudbury NDP)  
 Haggerty, R. (Erie L)  
 Laughren, F. (Nickel Belt NDP)  
 Mancini, R. (Essex South L)  
 Norton, K. (Kingston and the Islands PC)  
 Smith, R. S. (Nipissing L)  
 Stephenson, Hon. B. Labour (York Mills PC)

### Ministry officials taking part

Johnston, R. D., Deputy Minister  
 Morgan, D. J., Executive Director, Administrative Division  
 Webster, G. A., Director, Finance Branch



LIBRARY

DEC 10 1975

UNIVERSITY OF TORONTO



Ontario

Government  
Publication

# Legislature of Ontario Debates

SUPPLY COMMITTEE

ESTIMATES, MINISTRY OF LABOUR

OFFICIAL REPORT — DAILY EDITION

First Session of the Thirtieth Legislature

Thursday, November 6, 1975

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975



## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MGS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.

## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

---

THURSDAY, NOVEMBER 6, 1975

The committee resumed at 8 p.m.

#### ESTIMATES, MINISTRY OF LABOUR (continued)

**Mr. Chairman:** I call the meeting to order and the first speaker will be Mr. Mancini.

On vote 2101:

**Mr. Mancini:** Thank you very much, Mr. Chairman. I have a few things I'd like to discuss and now that the point has been made about the main office encompassing everything with a fairly wide brush, I would like to take that approach, although in the meantime, I also have a couple of specific questions for the minister.

I would like to start off with a specific question to do with the hiring of summer staff. Due to the shortage of jobs open to college students and to high school students, I would like to know what type of approach the ministry's office used in hiring these people. Were the jobs advertised, and were they spread throughout the Province of Ontario?

**Hon. B. Stephenson:** May I refer that to the deputy minister because I wasn't there at the time.

**Mr. R. D. Johnston:** You are pretty good at saying yes. Yes and yes, I would think you could say that in this instance.

**Mr. Mancini:** Could you explain the process? Not just a yes please.

**Mr. R. D. Johnston:** There are several different student programmes and they are all part of what was called the Experience '75 programme, which the youth secretariat—which is not in our ministry—co-ordinates, both in terms of the process of us getting our funds and in the process of attracting applicants. On some of the programmes of a more general nature, the advertising is done through the youth secretariat. They send literature out to the schools and the colleges and so forth, and they elicit applicants in that way.

In other programmes of a more specific nature—for example the one for students called Students Training and Industrial Relations—we sought out applicants who were taking courses that would perhaps lend themselves to those students ultimately going into industrial relations work. In every case the students were hired after a fairly rigorous selection programme which included a pre-screening of the applications on paper and then interviews held in various parts of the province, usually in our district offices. Through that kind of a winnowing out we got down to the students we hired.

If you want more detail, Mr. Cleverdon is here. He worked closely on one of the programmes where we used students to do some relatively simple inspections for us.

**Mr. Mancini:** No, that's fine. I'll have a question for Mr. Cleverdon later on.

**Mr. R. D. Johnston:** Fine.

**Mr. Mancini:** To continue, I'd like to make a few points on some of the things that were said, not only by yourself but by the member for Windsor-Sandwich (Mr. Bounsall), because I feel that if his party was the government he would probably be the Minister of Labour. I feel that our talks would have to encompass all three parties—

**Mr. Bounsall:** Not quite.

**Mr. Mancini:** That's up to you, if you can make the proper impression. To continue, so you can get more of an idea of what both parties and more members are saying.

I would like to bring up the point about sexual orientation. I feel this is a subject of grave concern, not only to yourself but also to members of the whole Legislature. I would want to know your opinion—if you're willing to give one now—about the hiring of school teachers in the education system with this orientation problem that our friend spoke about; the orientation other than normal. I think it was put that way.

**Mr. Wildman:** What is considered to be normal, you mean.

**Hon. B. Stephenson:** You were asking my opinion about hiring teachers who in fact have a sexual orientation other than that which is considered normal?

**Mr. Mancini:** Yes, I would like to know your opinion on that.

**Mr. Reid:** Half of the Legislature would be—

**Hon. B. Stephenson:** Which half?

**Mr. Mancini:** This point of view was brought out very plainly and now I'm giving you my point of view, which is not the same as his. I would now like to know your point of view as the minister.

**Mrs. Campbell:** Good night. How did we get into this?

**Mr. Haggerty:** Are you going into labour, Margaret?

**Hon. B. Stephenson:** May I first say gulp? I suppose that if I were a member of a school board hiring teachers who as individuals might have very serious effects upon the developmental psychology of young children then I would have difficulty in resolving this problem. I really can't give you an opinion because I don't know what I would do, truly. I think that I would have a problem but I'm not sure how I would resolve the problem.

**Mr. Mancini:** I just felt that the question had to be put to you since it was brought out so plainly and clearly by the member for Windsor-Sandwich.

**Mr. Bounsall:** It usually arises in the non-continuance of employment, which is part of the Act.

**Mrs. Campbell:** Yes.

**Mr. Bounsall:** It isn't a case of employment in the first instance, but employment which is terminated or where conditions become such that the employee feels he has to leave. There is nothing in the Act which protects that employee then?

**Mr. Reid:** Excuse me. I missed the earlier part. Are you in favour of this sort of thing?

**Mr. Bounsall:** I think there should be protection in the Act, particularly that section about discontinuing employment because of one's sexual orientation.

**Mr. Reid:** I'm not sure, Mr. Chairman, of the minister's answer.

**Hon. B. Stephenson:** It's really not the main office. It does come under the Human Rights Commission, there is no doubt about that and they are concerned with this problem at the moment. They have not resolved it as yet.

**Mr. Chairman:** Do you have any further questions?

**Mr. Mancini:** I would like to talk a little bit about the hiring of certain people. I think you said that your staff in the department of civil liberties, or whatever you call it, have equal hiring rights.

**Hon. B. Stephenson:** Human Rights Commission.

**Mr. Mancini:** Yes. I think someone stated that your staff in that area was very small.

**Hon. B. Stephenson:** There are 40.

**Mr. Mancini:** Right. Have you ever given any consideration to having the industries assist you in the same way that the government has small business assist it in collecting the retail sales tax?

Say at the end of a period of 12 months—or less, or more—have industries of any size—I guess that can be discussed later on—send you a form which says: We had so many hundred applicants—or 10 applicants or whatever—and there were so many of these different ethnic origins. We hired so many of these people and of those people, and so many of these other people.

Don't you think that would have a greater bearing on more equal hiring, if they had to report all the people that were hired? Would you give something like this any type of consideration? Evidently your staff of 40 cannot do the job, and that's not your fault and it's not the ministry's fault.

**Hon. B. Stephenson:** If I might say, the Human Rights Commission, it seems to me, has the responsibility for developing, on the basis of a policy which they establish, a code which will protect the rights of all individuals. It's not simply employment that we're talking of, in actual fact.

**Mr. Mancini:** Yes, but that's where it affects people the most. If they can't be a breadwinner that's going to affect their whole lives. I think you have to see that.

**Hon. B. Stephenson:** The collection of statistics such as you suggest might be of some interest in an evaluation of the ethnic mix in the labour force.



**Mr. Mancini:** Don't you think it would be a lot better to have them submit these data, instead of going around with a staff of 40 who can't do the job, just pointing their fingers at certain individual cases? There are probably cases of an extremely large extent where people are not being hired because of their ethnic background and other backgrounds and this and that. Don't you think that would give you a lot more information and you would know exactly where you stand with certain industries and in certain areas of the province?

**Hon. B. Stephenson:** Yes, I would agree it might be a source of information.

**Mr. Mancini:** I hope you look into it further.

**Mr. Wildman:** Mr. Chairman, I don't want to belabour the point brought up earlier today, but in discussing the Abitibi negotiations I agree with you that perhaps we shouldn't be specific about what's happening. Is my understanding correct that it is only Abitibi which is back at the table now? If so, what actions are you making to bring the other companies and their workers back to the bargaining table to end this rather long drawn out dispute?

**Hon. B. Stephenson:** Yes, we have persuaded Abitibi to come back to the bargaining table with the union. Abitibi is the largest single employer of members of the Canadian Paperworkers' Union and it was felt that because those negotiations had been in a state of limbo for longer than almost any others it was important to begin somewhere. That was the place at which we began. What I'm saying is this is a beginning.

**Mr. Wildman:** Are you hoping that if a settlement is reached between Abitibi and its workers that would be sort of a signal to the other companies as to what might be a fair settlement?

**Hon. B. Stephenson:** I think that's a hope we might harbour.

**Mr. Chairman:** Mr. Norton.

**Mr. Norton:** Was I on the list? Sorry, it's been so long I had forgotten I was.

Perhaps there are a couple of questions I might direct to the minister at this point. I suppose they would relate to the area of—I'm sorry, are we on main office only at this point? I'm going to be jumping down to research and I'll wait if we're still on main office.

**Mr. Chairman:** We have been allowing some far-reaching discussions here.

**Mr. Norton:** You'll let me wander a little too?

**Mrs. Campbell:** Tiptoe through the tulips. [8:15]

**Mr. Norton:** Okay. In the earlier questions and statements by some of the critics there was some reference to the minimum wage in the Province of Ontario in comparison with other jurisdictions. Might I ask what is the opinion of your ministry of the impact or the implications of the exemptions that have been indicated by the federal government under the guidelines on the minimum wage in the Province of Ontario? I'm speaking specifically of the exemption of those rates, I believe it is \$3.50 an hour.

**Hon. B. Stephenson:** The federal minister has stated that any wage below \$3.50 an hour may rise to that level without being implicated by the guidelines; or that any income less than \$7,000 might rise to that level without coming under the guidelines. As to the minimum wage in the Province of Ontario, the only implication that I can see is that it removes the stricture of 12 per cent as far as an increase is concerned.

**Mr. Norton:** Perhaps I also might ask, again thinking of the earlier comments, does your research in any way indicate who the people are in the Province of Ontario who would be at the minimum wage at this point?

**Hon. B. Stephenson:** I think perhaps one of the things that we should realize is that Ontario has the largest number of individuals affected by minimum wage levels of any jurisdiction in this country. We also have the largest number of lower paying trades and industries in comparison with any other province, or than the federal government has under its wing. Of the people who are affected by the minimum wage in the Province of Ontario, 80 per cent are non-primary earners for a family; that is 80 per cent of them are earning the second wage in the family or are single people supporting themselves only. Only 20 per cent are the primary wage earner in a family situation.

The implications for an increase of the minimum wage are probably greater for a larger number of people, a larger number of industries and a larger number of small businessmen in this province than they are for any other area of Canada.

I think it is for this reason that the research that has gone into the development of the minimum wage level in the Province of Ontario has been very extensive. I do not know all of the things which they have explored, but Mr. Kinley does. If you would like to know the kind of research upon which the minimum wage has been established in this province, I'm sure he could tell us now.

**Mr. Norton:** I think I would be interested and I think, perhaps in view of the comments made earlier, there might be others who would be interested, if it was possible at this point.

**Mr. Kinley:** I don't know if I should be responding to this, but I'll try. The information on the characteristic of the people who are at the lower wage level has been accumulated from two sources over the past couple of years. It was the first such information developed anywhere in this country, as far as I can find out.

One was a very extensive survey. As I recall, we looked at the records of 35 of the major manpower centres for the period between November, 1973, and March, 1974, to determine the age and other characteristics of the people who were employed at less than \$2.50 an hour at that time. I think that was the most reliable source of information on which we based the sorts of things the minister has just discussed.

Another survey, not quite so extensive, was done to determine the dependence status of these wage earners. This was done directly with individual employers—getting the names of people from individual employers and then actually surveying the low-wage employees in industry. I think that was the source of the information.

**Mr. Norton:** Was that information used in arriving at the figure itself, or how was the actual level arrived at?

**Mr. Kinley:** That information was used in determining whether or not certain criteria were important in assessing the minimum wage. I suppose it was used particularly to assess this constant comparison that is made between welfare and earnings at the minimum wage.

It revealed that it didn't seem necessary to set a minimum wage that would generate an income equivalent to welfare for a family of six or eight, but that the minimum wage should remain worth earning to at least 80 per cent of the people who were on welfare, and where it would generate incomes very

substantially in excess of what they would get on welfare.

To go further, I understand you want to get a bit of information on how we have arrived at the minimum. It is not too different from the process used in Manitoba, but not using quite the same proportions and the same data. Our preference, like Manitoba's and that fairly general across the country, has been to set the minimum wage in relation to other wage rates. For that purpose, we have given primary weight to average hourly earnings as reported by Statistics Canada. We have changed the minimum in response to changes in average hourly earnings and changes in consumer prices. Other criteria used, of course, are the minimum rates in other provinces and the current level of welfare.

It has not been an arbitrary process of taking one criterion and saying this is it. It has been a matter of looking at these various criteria and forming a judgement as to what is appropriate. In addition to that, we have consistently tried to make estimates—and the minister has referred to this—of the numbers of people who would be affected. There are various conflicting impacts of legislating a minimum wage and we have attempted to balance those. The figure we generally come out at is somewhere in the vicinity of 48 per cent of average hourly earnings in manufacturing in the province. That is probably higher than average hourly earnings generally, but it is merely because the data on manufacturing is better. We have used that base purely as an index, not as a setter of the wage level.

**Mr. Norton:** Thank you very much.

**Mr. Chairman:** For the information of the committee, the names I have before me are Laughren, Johnston, Bain, Reid and Campbell, so you may be prepared in that order.

**Mr. Laughren:** Thank you, Mr. Chairman. I will be very brief on the main office vote. I want to speak more on the occupational health and safety vote.

I would just like to say one thing on the whole question of workers on the minimum wage and unorganized workers in Ontario. I think it is not just wages that we should think about when we think of unorganized workers, because there seems to be a correlation between working conditions and wages.

I know there are exceptions to that—where you can have highly organized workers in the mines, for example, with poor working conditions as well—but by and large, the



people who work at the minimum wage, very often at least have poor working conditions and very little protection. I can take you into many of the lumber camps in northern Ontario—you might not want to come, Madam Minister—

**Hon. B. Stephenson:** I have been in some of them.

**Mr. Laughren:** Yes, and some of the conditions are truly deplorable in the lumber camps. They are unorganized and without exaggerating even a little bit there is intimidation in those lumber camps. During the recent election campaign, it actually became an issue, the intimidation of the workers. When, for example, they wanted to put up a sign indicating support for a particular political party, there were hints—there were no outright threats—but certainly the sense of intimidation was there in those workplaces.

I've talked about this before, I guess, with either two or three other Ministers of Labour in Ontario and nothing very much seems to change. I think what bothers me is that, while a Minister of Labour in Ontario may say he is interested in all working people, there never seems to be an effort to help the unorganized organize.

I think that the job of the Ministry of Labour should be to play a very active role, to go into these unorganized places and encourage the workers to form a union. I think that creates a more stable work force in the province. It would improve the kind of working conditions under which these people find themselves, and I don't think it would be any kind of contradiction in the role of the Minister of Labour.

**Mr. Reid:** Why doesn't the lumber and sawmill union do that?

**Mr. Laughren:** They've tried. Now that you've mentioned it, Patrick, let me tell you a story about when a union does go into some of these places to try to organize a union. In the Province of Ontario the protection that this government offers the unorganized workers is almost non-existent. The workers can find themselves down the road very quickly.

If you have competing lumber companies in the same area, you will find that one company will bid away the services of one of the agitators for the formation of a union. That person is probably working at a low wage to start with, and when he's offered a greatly increased wage at another company he goes, only to find himself down the road in about two weeks for some contrived reason. In a

very effective way, without breaking any law, it's breaking the formation of a union.

That's the kind of antics that can go on in the lumber camps, and it makes it very difficult for any union to organize under those kind of conditions. There's no doubt about it that the safety conditions are lacking in many of those lumber camps as well.

**Mr. Martel:** Texasgulf.

**Mr. Laughren:** Texasgulf, yes. The Ontario Ministry of Labour doesn't seem to see itself as playing a role to help workers become organized. I think an organized work force is very healthy. I really see no contradiction whatsoever. I'm not suggesting that the Ministry of Labour go in and form the union.

**Mr. Reid:** And have a union checkoff for the NDP.

**Mr. Martel:** Or a substantial donation.

**Mr. Laughren:** I realize the Liberal Party in the Province of Ontario, with its right wing ideology, gets rather sensitive when you talk about the creation of unions.

**Mr. Reid:** Not at all. I'd like to see the unions do their job; that's all.

**Mr. Laughren:** As the workers become unionized, as they start to have contact with one another—

**Mr. Reid:** Their answer is that it is uneconomical, that it's not worth organizing those people.

**Mr. Laughren:** —in groups, they start to see the superficiality of the Liberal platform in Ontario and to see it for what it really is.

**Mr. Reid:** Would you hand out the communist manifesto and the CCF platform?

**Mr. Laughren:** That's why Mr. Patrick Reid right now is so sensitive about my comments.

**Mr. Martel:** Have you reached the bottom of the barrel now with the last comment, Pat?

**Mr. Laughren:** I think he has.

**Mr. Reid:** We go through this baloney every time.

**Mr. Chairman:** Order, please. Mr. Laughren has the floor.

**Mr. Martel:** He is a dog in the manger.

**Mr. Laughren:** I understand why the Liberals are sensitive about organizing workers.



**Mr. Reid:** I tried to get the lumber and sawmill union into my area for five years and their answer was that it is uneconomical, that there are not enough people there to make it worthwhile.

**Mr. Laughren:** Maybe we can change that.

**Mr. Martel:** Where's your leadership potential? You've just blown it all again tonight. You and Eddie Sargent will end up competing.

**Mr. Reid:** I don't jump every time Dave Archer says something.

**Mr. Chairman:** Order, please.

**Mr. Laughren:** It's good to see your true colours showing anyway.

**Mr. Martel:** You certainly are potential material for the leadership.

**Mr. Mancini:** If you would work on behalf of the workers instead of the union executive, you would be all right.

**Mr. Laughren:** It might be more constructive to change the legislation in Ontario, rather than harping about the trade union movement that, under very difficult conditions, has tried to organize the major part of the work force in Ontario—under bad legislation, I might add.

**Mr. Reid:** Did David Archer write that speech for you?

**Mr. Laughren:** Who? That shows what you know about the organization of workers in Ontario. I think, Mr. Chairman, I might get back on to the main office vote.

**Mr. Chairman:** Good.

**Mr. Laughren:** All I wanted to say, without being provocative, was that it is time that the Ministry of Labour in Ontario took an active role in the organization of workers. I mean that most seriously. I don't see any contradiction whatsoever in a Ministry of Labour saying to the work force in Ontario: "We believe you would be better off if you were organized."

Does anybody dispute that, by and large, organized workers are better off, have better working conditions and better wages than unorganized workers?

[8:30]

**Mr. Haggerty:** In some cases.

**Mr. Laughren:** Not very many.

**Mr. Martel:** Think how well off doctors are as a result of it.

**Mr. Laughren:** That's right. The professions have organized themselves very well to their own benefit.

**Mr. Reid:** The administration organized everything.

**Mr. Laughren:** Yes, and we know why Dofasco is well off, too, don't we? Are you going to imply there is no relationship between Stelco being organized and Dofasco's level of wages? I would ask the minister to indicate how she sees her role in terms of helping the unorganized to organize, particularly in those areas of the province where working conditions are poor and wages low.

**Hon. B. Stephenson:** If I might, it seems to me that the amendments which have been made in this past year to the Labour Relations Act have encouraged workers to become organized and have made it easier for them to do so. Any worker, I am sure, who reads the Labour Relations Act will discover that the Act is designed to increase the opportunities for unorganized workers in this province to organize if they wish to do so.

**Mr. Martel:** That took us back to 1971, didn't it?

**Mr. Bounsall:** To 1970.

**Mr. Martel:** To 1970.

**Hon. B. Stephenson:** No, it did not. There are other amendments, Mr. Martel, which have improved the situation tremendously for unorganized workers. I would ask you which of the governments in Canada, based upon your political ideology, specifically do follow the route of going out and encouraging workers to organize; would you tell me?

**Mr. Mancini:** They just make blanket statements. They don't have anything else to say.

**Hon. B. Stephenson:** Does the Ministry of Labour in British Columbia, Manitoba or Saskatchewan actively go out to organize workers or encourage workers to come in?

**Mr. Haggerty:** No, but they legislate them back to work.

**Hon. B. Stephenson:** I wanted to know. I wanted to know whether this was—

**Mr. Mancini:** They don't even have the right to strike in British Columbia.

**Mr. Laughren:** If you want to use other provinces as the basis for designing legislation in Ontario, say so.

**Hon. B. Stephenson:** No, you suggested—

**Mr. Laughren:** If not, let's have our own.

**Hon. B. Stephenson:** —that this was a proper role for the Minister of Labour. I asked specifically if this role were followed by any other Minister of Labour in Canada.

**Mr. Laughren:** If I was debating the Labour estimates in other provinces, despite who was in the government, I would be making the same arguments.

**Hon. B. Stephenson:** That's fine. So you say this isn't done elsewhere. I wanted to know. This was for my information.

**Mr. Bounsall:** They have 50 per cent of the labour force, rather than 55 per cent, for certification.

**Mr. Chairman:** Are you finished, Mr. Laughren?

**Mr. Laughren:** If that is the only answer I am getting, I guess I am finished.

**Mrs. Campbell:** You are or you have?

**Mr. R. D. Johnston:** Mr. Chairman, since it was pointed out to Mr. Norton that the first part of this meeting is a far-ranging procedure and that many subjects relating to Labour are open to discussion, I would like to add a few.

There is one overriding issue which deeply concerns me and that is the fact we have moved up to the No. 2 spot. We rank second in the world, following only Italy, in the number of work days lost because of strikes. I realize this is Canada as a whole and not just Ontario but it emphasizes the fact that regardless of political parties—which for some reason include even the NDP in BC which has had a few labour problems in the last few months—we must have some deep labour problems in Ontario and in Canada.

If we are to survive as a viable country we must face up to the many problems facing labour, industry and government. We must work together to solve these problems or face the fact that we cannot accept the demands placed on society by various pressure groups. My question to the chairman, the minister and the hon. members here tonight is simply this: Are we satisfied to be No. 2 or are we striving for the No. 1 position?

**Hon. B. Stephenson:** No.

**Mr. Reid:** We're No. 2. We are trying harder.

**Mr. Bain:** I can't resist making a small comment in reference to the previous speaker. I don't think anyone is necessarily encouraged by the number of hours lost through strikes but you must remember, too, that working people, when all is said and done, have only their comrades to support them. If they are denied the right to strike, they really have no fundamental rights at all. If you want to have fewer strikes, you will get fewer strikes as soon as you allow some industrial democracy; as soon as working people in this province and in this country feel they have a large enough stake in their company, it does become their company; and they will be less likely to go out on strike when you give them some real say about what's happening in their working place.

**Mr. Reid:** You don't really believe that goes for everything?

**Mr. Bain:** I don't? I sure do believe it. If you are in a factory where you are being dehumanized—

**Mr. Mancini:** Do you believe in state-owned companies for everything?

**Mr. Bain:** I never said that. I never said that at all.

**Mr. Mancini:** What did you say?

**Mr. Bain:** I was speaking about worker participation in the running of the companies. That's what I said.

**Mr. Chairman:** Order. Would you direct your comments to the Chair, please?

**Mr. Martel:** Mr. Chairman, would you control that fellow? He's going to jump right off the bleachers.

**Mr. Mancini:** Your time is coming.

**Mr. Bain:** I look forward—and I'm sure the hon. members in the opposite chairs will give me the opportunity—to debating this further in the future.

Tonight I came here with a very specific request, which has to do with a situation that's developing in one particular lumber company in northern Ontario. It's in my riding, but it is something I'm sure the minister will agree has wider application, because of the depressed market that lumber companies find themselves in.

I'm referring to Kokotow Lumber Ltd., which is in my riding, near Kirkland Lake. This lumber company, as I'm sure you will be

aware, is extremely important to the vitality of that community. In the north generally we have a natural resource-based economy, we don't have as many job opportunities as are present here in the south; and when a company the size of Kokotow closes—roughly 500 jobs are involved—then there are going to be severe repercussions in that area.

The actual closing perhaps has not been consummated, but it appears to have taken place. The company in question verges on bankruptcy. I'm not going to get into too many details; I know the cabinet discussed the situation at Kokotow on Wednesday of last week, and I hope the cabinet will make some decisions.

Specifically, I would like to ask the minister, if the company should happen to have to declare bankruptcy, what steps will the minister take to protect the workers at Kokotow? What sort of procedure will the minister follow to guarantee that in fact they will be paid for the hours they have worked? Some of them have worked as long as three weeks and have not been paid because the cheques now have been stopped by the bank.

In a more general sense I would like to know if the minister is prepared to go to cabinet and make the case for this province giving some kind of leadership in enabling Kokotow to remain open.

There is a considerable amount of money involved, in addition to the importance of the jobs provided to the local community. The federal Department of Regional Economic Expansion has invested quite a large sum of money, as has NODC; and Natural Resources, of course, is involved because of the stumpage fees, etc. In addition to the fact that there is quite a lot of money already invested by various levels of government, there is the fact that these jobs are very important.

I again ask, what sort of leadership will the provincial government take to ensure that this company will stay open and be able to continue to provide jobs? I know that management is quite willing to enter into almost any arrangement that this government would care to outline to them in order to be able to continue to operate.

**Hon. B. Stephenson:** Mr. Chairman, the matter did come up before cabinet last week. It has not been decided upon as yet. It has been deferred, pending the collection of further information. Within our ministry the information has arrived only within the last day or so and we have not considered our role in terms of the potential hazard to the employees of Kokotow.

I can't tell you at the moment what the cabinet decision will be. I have as much concern as you for the economy of your town if this company does fold, because it is a very large employer of the people who live in your area; and I share your potential grief if in fact this is allowed to happen.

I am not sure exactly what the cabinet decision will be. The direction, it seems to me, has been toward encouraging local and provincial support. Whether this will come about I can't tell you at the moment. There will be further discussion of this and I will be very happy to tell you what our decision within the ministry is as soon as we've had an opportunity to discuss what our role should be vis-à-vis the workers within this company.

**Mr. Bain:** I wonder if I could just follow up? I know when you're removed from different areas of the province—as you are geographically from most of the areas—that perhaps there's a communications problem.

I'm very sure that in any situation like this the government should take the people into its confidence and let them know what you're prepared to guarantee. You should go on record as saying we will guarantee that the company will not fold, or something like that.

This happened almost a week and a half ago now. For a week and a half people have been in a state of limbo. They don't know what's going to happen. Nobody knows. The company doesn't know, the workers don't know; the workers haven't even been given their severance slips. The Ministry of Natural Resources, in fact, was one of the first creditors to move in and seize the lumber in the yard and the logs in the bush, and this is what the bank says precipitated them to move.

So there seems to be a communications problem. Perhaps in the future there can be more effort to reassure the local community that you will not desert them, that you will do your utmost to keep it open, and make sure that the working people are assured of future employment.

[8:45]

**Mr. Reid:** Madam Minister, my congratulations on your appointment. From your remarks this evening I'm sure that we'll find you much more amenable to deal with than your predecessor. Mr. MacBeth listened well.

**Mrs. Campbell:** That is no compliment to the present minister.

**Mr. Reid:** It's rather a left-handed compliment. Because my friends on the other side are so sensitive tonight, I'll try not to be provocative.



I want to raise with you something that I spoke with you privately about this afternoon, and which my colleague from Sarnia (Mr. Bullbrook) mentioned earlier in his remarks. There are two things: The apprenticeship programme and the whole problem of manpower requirements in the Province of Ontario.

First of all, the apprenticeship programme. There has been the Dymond report, which we have never had an opportunity to discuss because the apprenticeship programme to a large extent has been under the aegis of the Minister of Colleges and Universities (Mr. Parrott).

**Hon. B. Stephenson:** Latterly it has.

**Mr. Reid:** Latterly. Your indication to me earlier today was that it's in limbo at the moment. I would say to you with all deference it's been in limbo since I've been around here. Hopefully it will now come under the aegis of the Minister of Labour, because I think that's where the manpower problem belongs—and also the apprenticeship programme.

We've never had an opportunity to debate the Dymond report with anyone—neither the Minister of Labour nor the Minister of Colleges and Universities. His reply to me in the estimates last year was rather curt.

I am particularly interested, however, in the manpower problem, in ensuring that we have the skilled people to do the jobs that we're going to need in the next few years. All the figures and statistics on the unemployed in the province indicate that the bulk of the unemployed are between the ages of about 18 and 25 and are unskilled people.

We are spending \$2.2 billion of the taxpayers' money in the province to educate people, and I use the word "educate" in the broad sense, not necessarily in the sense of an academic education. Yet we still have a huge number of people who are unemployed due to their lack of skills—whether it's academic or craftsmanship or industrial or whatever. There is something seriously wrong, and I think it is properly a function of the Minister of Labour to have this under your direct control.

There have been studies going on in the province that have been to date primarily under the auspices of either educational institutions such as the Quetico Centre in north-western Ontario — incidentally that's in my riding.

[8:45]

**Hon. B. Stephenson:** I was aware of that.

**Mr. Reid:** I thought some of my colleagues here aren't quite as aware as you are, Madam Minister, about this, so I thought I would mention the great riding of Rainy River. I might add, that it is very heavily labour-orientated, mostly mine and mill workers, who see their way clear to returning a Liberal-Labour member, election after election.

I would like to digress for a moment, because I'm sure my colleague sitting beside me would be interested. During the last campaign, during an all-candidates meeting, my NDP opponent got up and was waving around most frantically a copy of Hansard dealing with the amendments for the Ontario Labour Relations Act. It had been sent to her by one Mr. Bounsall, that most astute critic of the NDP, who was a university professor. His association with the working man in industry, mine and mill, I would say, is somewhat remote. However, he did his best.

She was quite impressed with Mr. Bounsall, even though maybe some of us aren't quite as impressed as she was. It didn't do her or them any good. It was rather interesting, however, that they should proceed in this way. Regardless of that—I was trying to be provocative, Ted, but you're not helping at all.

**Mr. Bounsall:** I must read you his amendment.

**Mr. Wildman:** What did it say?

**Mr. Bounsall:** He doesn't want to tell you what an infamous amendment he made.

**Mr. Reid:** Do you know what my comment was, Mr. Bounsall? My comment was: "Mr. Bounsall didn't understand what we were doing." And you don't understand what we did.

**Mr. Bounsall:** We understand.

**Mr. Reid:** Fortunately for the electors of Rainy River they understood, and that is probably what is more important in the long run.

**Mr. Laughren:** Anything goes.

**An hon. member:** That's why they wanted you back.

**Mr. Reid:** In any case, I would suggest most strongly that you accept, you take out of limbo the manpower part, which now has a somewhat amorphous quality. Take it under your wing—if I may put it that way—and do something with it, because it is extremely valuable and necessary to the province. To do that, you must also take into account, and also

under your other wing—we're running out of wings—the apprenticeship programme in the Province of Ontario. The two of them are inextricably bound up and one cannot operate, as I see it, without the other. I will leave it at that for now, but I would suggest that you do that.

**Hon. B. Stephenson:** I'm sure you know the Ministry of Labour has been involved in some manpower studies, which I'm going to ask Mr. Skolnik to speak about. But you may be happy to know that we have taken OMCC under our wing. They moved last week.

**Mr. R. D. Johnston:** Ten days ago.

**Hon. B. Stephenson:** Right, 10 days ago. They are now situated within the Ministry of Labour.

**Mr. Reid:** We know they're there.

**Hon. B. Stephenson:** Now all we have to do is—

**Mr. Reid:** Physically they're there.

**Mr. R. D. Johnston:** I think that needs a little clarification. It's quite true the OMCC is with us, but I think Mr. Reid is also speaking of the manpower training branch.

**Hon. B. Stephenson:** Oh yes, I know that. But we've made one step.

**Mr. Reid:** You're going to inherit—if that's the word—the rest also I take it, because it has to have a very co-ordinated approach. It can't be done as it has been in the past. It has to be under the Ministry of Labour.

**Hon. B. Stephenson:** No, it can't be done in a fragmented fashion; I agree with you completely. I wonder if we could ask Mr. Skolnik to speak.

**Mr. Skolnik:** One of the things which has become increasingly apparent over the last three to four years is the very serious lack of any reliable information on the workings of the labour market, particularly on the supply of or demand for labour by occupation or by industry—and particularly at a fairly disaggregated regional level.

We get the unemployment rate announced by Statistics Canada every month, and there is a little bit of a stir over it. People then ask some questions about what the rates are for plumbers in a small area, or for carpenters, or some other occupation. These questions can't be answered. It's even worse when you try to look at trends.

It's become apparent in dealing with a large number of different types of questions and the

number of different types of policy issues that demand better information about the labour force and about employment and unemployment, job vacancies, labour force participation rates of different groups—the number of questions of this type is so large that I could keep you here all night just talking about those questions. In fact that might be a good thing to do, because that would keep you from asking me other questions.

**Mr. Haggerty:** What are the answers, though?

**Mr. Skolnik:** My stock answer to that has been that until we can develop the data we really can't answer a lot of the questions although we can get good feels for them.

Let me give three or four examples that will help here. During 1974, particularly up to the third quarter, there were a number of large industrial developments either getting started or planned to be started in various parts of the province—the Haldimand-Norfolk area and northwestern Ontario, to name just two places. There was serious concern that there would not be adequate supplies of labour in certain fields for these undertakings, and that as a consequence they would not be able to go ahead. Some of them which were related to energy development and which were critical to the province's economy could have created serious problems if they couldn't go ahead.

There was also concern that there would be serious effects on small industry in the province if the large industries were successful in pirating away or just outbidding small employers for the labour. There were also concerns about the Ontario workers being attracted to other provinces, particularly out west, at higher wage rates.

In the face of this lack of information, it was very difficult to decide on provincial assistance for these various developments, on the nature of the assistance, whether to try to encourage all of them to go ahead at the same time or whether to try to phase them. Without knowing more precisely what the timing of the demands for various types of skills over the life of these projects would be, and without knowing more about the supplies and the types of mobility between occupations and between regions that there might be in the province, it was virtually impossible to take any kind of rational approach to making sure that all of the projects which were necessary got the right types of approval and assistance but that we didn't try to do everything at once and end up creating very serious shortages and driving a lot of small industry out of business.



A second example is when the federal government came to the provinces with its community employment initiative last year, which was intended to develop innovative public employment programmes, and in fact private employment programmes as well. They were very open in the sense of considering all kinds of employment programmes for regions and for groups of people which had experienced considerable difficulty in obtaining and keeping satisfactory employment. The only problem was that the money was somewhat limited—some millions of dollars mind, but at any rate it was clearly not enough to solve all of the unemployment needs of the province, and some priorities had to be set.

On the basis of the information available about unemployment by region, by community, length of unemployment, whether people who are unemployed had dependents, various characteristics of the unemployed, it was almost impossible to take a very rational approach to arriving at priorities. Yet this type of information potentially does exist. The Unemployment Insurance Commission has vast amounts of data. It is already computerized, and what is really needed here is working out some kinds of arrangements with them to make the data available, excepting certain confidentiality restrictions that are inherent in any type of use of data. We have been moving in that direction, toward getting this kind of information available at the provincial level so that we can evaluate unemployment problems by region and be able to make the most effective use of what money is available for special types of employment programmes.

The third problem I would like to mention, which seemed much more critical during 1974 than it does today but can be expected to become more serious I think in the future, was what last year was referred to at times as the paradox of unemployment and job vacancies. It was a situation where at the time that job vacancies were at the highest recorded level—and, of course, they had only been recorded since 1971, so that perhaps doesn't say too much, but it was believed that this was one of the highest levels of job vacancies during the last 15 years. Unemployment was also at a very high level, and there were various explanations for the simultaneous occurrence of unemployment and job vacancies.

Those of us who've had much training in labour economics have nothing in our textbooks to tell us why such a situation should exist or what to do about it. So, clearly some types of approach to understanding the problem and to dealing with it were necessary. Yet we can do little without more specific

information about the nature of the vacancies, the relationship of the vacancies to unemployed people, comparison of the characteristics of the vacancies in terms of the skills required, types of training, experience, location, remuneration, things of that sort; and to compare this with the characteristics of the people who were unemployed, particularly those who were unemployed for quite some time. Also, at the regional level, the propensity of people to migrate from one community to another in search of certain types of jobs can cause difficulties.

Without this sort of information and being unable to make these kinds of comparisons, we could only stay at the level of armchair theorizing based on a lot of clichés; not really get down to dealing with the problem and come up with meaningful solutions.

**Mr. Reid:** Could I just follow on from that? You've given us, in the last few minutes, a great line about the necessary hard information not being available. Let me take it one step further. I'm not as concerned, perhaps, as you are. I think a lot of that information is available from employers, from the Unemployment Insurance Commission and so on, in particular regions in the province, which leads me to the point I raised earlier: The apprenticeship programme in the Province of Ontario—right now in one unholy mess—which is also under the administration of Colleges and Universities. I'd like to ask you directly, are you considering or are you prepared to take under your ministry the administration of the apprenticeship programmes in the Province of Ontario?

My colleague from Sarnia was right on when he said that there are some things that the Ministry of Labour should be directly involved with in the economy of the province. This is surely one that should be under your jurisdiction and your responsibility. Because it's going nowhere as it is. The Ministry of Colleges and Universities has not done anything with it. It's the orphan child, the black sheep that they don't want to talk about because there are a lot of problems involved with it. But it should be, I would say, directly your responsibility. Can I have your response to that?

**Hon. B. Stephenson:** As it was in the past, I don't think it would be revealing any kind of secret to say that it was given up with some reluctance, and I doubt that the attitude of the ministry has changed in the intervening years.

**Mr. Reid:** Are you actively trying to get it back? Because if we're going to solve the



problem that Mr. Skolnik has just outlined, once we get the information—and I think it's available to the extent that we know what is required and what's going to be required in the next few years—then it's got to be your responsibility to provide that supply side for the demand that is there. Not Colleges and Universities, who are more interested in the per capita grant for the University of Toronto and Trenton and so on and so forth. Are you actively seeking to have this back in your jurisdiction? First of all, do you see that as logical?

**Hon. B. Stephenson:** Yes, I see your point of view as very logical and I would have to say that I am prepared to consider very seriously the possibility of regaining that aspect of what I consider to be part of the labour industry.

**Mr. Reid:** I'll talk to Bill about it for you.

**Hon. B. Stephenson:** Thanks, Pat.  
[9:00]

**Mrs. Campbell:** I have taken the opportunity of speaking to the minister and expressing my congratulations on her appointment and also on the way in which she has handled herself in the House. I am delighted to see this. I suppose I'm saying this out loud because I'm now having to raise something as a result of being deeply troubled.

I have had the occasion—an unfortunate and unhappy occasion—over the last little while of sitting in at a hearing where the minister's name has been bandied around by counsel for an appellant and by some of her colleagues in the faculty of medicine. I think she perhaps ought to have the opportunity to clarify some of the statements which have been attributed to her in relation to the acceptance of Chinese people in the faculty of medicine or in the school of medicine.

It seems to me that it is important that the minister have this opportunity, because I agree with my colleagues. I think this is one of the most important ministries that we have in this province. It is important too that we understand the philosophy of the minister as she proceeds to deal with the very complex problems that face her in this ministry. It seems, therefore, that an opportunity should be accorded to her to clarify her position if she chooses to do so. It is a most uncomfortable feeling to be sitting there and even hearing the colleagues from the faculty of medicine taking a position that they do not approve of the views.

I have only one other matter that I wish to raise under main office. I shall indeed be

addressing myself to the matter of human rights and the activities, or whatever one calls it, of the women's programme at a later date. The other matter that I wish to address myself to is to ask the minister if we could in this year hope to eliminate slave labour in the Province of Ontario.

I am very deeply puzzled. The minister earlier on addressed herself to hospital bargaining, for example. I wondered what input this ministry had in the decisions which would appear to have been made with reference to interns and whether indeed they are going to be expected to work in hospitals for free. Undoubtedly, if this happens, we will be back to what happened when I first came into this House. Then we had physiotherapists, occupational therapists, dieticians and pharmacists supposedly working without any remuneration whatsoever in hospitals. That was changed. It seems to me that the point for interns is even more cogent than in those cases and I wonder if the minister could tell me what input this ministry had in these decisions which apparently have been made.

The other case, of course, is the wives of superintendents of apartment buildings who became engaged as part of a team but in many cases are totally unpaid. They are obviously not able to collect Canada pension as a result of it. They have no benefits but they are on duty in exactly the same way their husbands are. I think both a member of the government side from Scarborough—forgive me, I never remember whether it's Scarborough East, West, North and South or Centre or whatever — introduced a private member's bill to cover this as did the member for St. George.

I think I will leave my main office queries at that point. Could I have answers? Thank you.

**Hon. B. Stephenson:** Well, in answer to your final question, I would share your concern regarding the hours and the labour put in by wives of apartment house superintendents. I would wonder whether, in fact, it would not be wise for people who employ such couples to employ both, instead of just one—

**Mrs. Campbell:** But they don't have to.

**Hon. B. Stephenson:** —this, I think, would be eminently sensible. However—

**Mrs. Campbell:** They do employ both, but—

**Hon. B. Stephenson:** They only pay one. Okay. I think this is something that probably should be examined in depth.

I am a little puzzled about your concern about interns. If you mean medical interns in hospitals—

**Mrs. Campbell:** Yes, I do.

**Hon. B. Stephenson:** —in actual fact, the rate of remuneration for medical interns is not inconsiderable at this time.

**Mrs. Campbell:** I know that.

**Hon. B. Stephenson:** I am not sure that it should be—

**Mrs. Campbell:** I'm sorry. My understanding is that this is to be terminated and that they will now be brought under the Ministry of Colleges and Universities and become a part of the award system. That was the matter that I was raising.

**Hon. B. Stephenson:** I am not sure that this has been finalized. This is something that has been discussed for years because, in fact, an internship is considered to be an educational experience rather than a service experience.

**Mrs. Campbell:** Brother, they are servicing.

**Hon. B. Stephenson:** It is both, and it would take Solomon to divide the service from the educational component. I would have to explore it to find out whether in fact a decision has been made about this. If it has, I haven't heard about it.

**Mrs. Campbell:** I just wondered where it left their bargaining rights, because I thought they had been accorded bargaining rights, or bargaining rights had been accorded on their behalf.

**Hon. B. Stephenson:** That's rather a nebulous situation at the moment in actual fact. They have no defined bargaining rights as such.

**Mr. Kinley:** They were not bargaining under our legislation.

**Hon. B. Stephenson:** No. Definitely not under the labour legislation at all.

The answer to your first question—and I should thank you for the opportunity to explain this situation—is, I have never made any statements regarding the enrolment at the University of Toronto. I did, in fact, ask three questions, and the questions are not seen to be particularly popular by some of my colleagues on the faculty of medicine—because, in fact, I questioned the admission

policies of admissions committees of all professional faculties in all universities in Canada.

I think this is something which should be held up for inspection at regular intervals. It had seemed to me that it had not been examined for a rather long period of time, and that perhaps universities were depending entirely too much on computer input to decide whom they should admit to professional faculties rather than taking other factors into consideration. That was the first question that I asked when I was asked by a reporter what my opinion was of the situation which was then prevalent.

The second question that I asked was one which had been asked of me on regular occasions over the last 10 years, and that was whether in fact the immigration policies of the federal government impinged in any way in a deleterious fashion upon the post-secondary educational opportunities for native born or immigrant students who had, in fact, become Canadian citizens.

The third question was whether, in fact, the people of Canada were aware of the method of distribution of their funds, because their funds, in fact, support universities in all faculties, whether they were aware of the proportion which was directed toward the educational support of landed immigrant students as compared to Canadian born students or students who were naturalized Canadian citizens, and if they were sufficiently aware, if they had this information, did they agree with it.

I urged all people who were concerned about this to consider the questions, to delineate their opinions and to send their opinions to the Minister of Immigration and to deans and presidents of all the universities across Canada, because it seemed to me that it was time the democratic process had much more effect upon the policies of the universities, particularly upon their admissions committees and upon our immigration policies as well. That was the basis of what was turned around with inflammatory headlines which related in no way to the kinds of questions that I had asked, nor in any way to the situation as I saw it.

**Mrs. Campbell:** Thank you. I am very glad to have that clarified.

**Mr. Chairman:** Mr. Martel.

**Mr. Martel:** Thank you, Mr. Chairman. I was wondering whether that last discussion was in order. I'm sure you fit in the ministry, but I —

**Mrs. Campbell:** What I said was that the philosophy of the minister is important, and I don't know where, other than main office, one would discuss that philosophy.

**Mr. Mancini:** That is the only time they bring it up.

**Mr. Martel:** Pardon me, Mr. Chairman, I shouldn't have said a word.

**Mrs. Campbell:** You are right, you will learn. I thought after 2½ years you would know.

**Mr. Martel:** I will pass on that, Margaret. Mr. Chairman, through you to the minister, the granting of permits for overtime as a rule comes through the Ministry of Labour. I guess that comes under the employment standards branch.

**Hon. B. Stephenson:** Yes.

**Mr. Martel:** What in God's name is the Ministry of Natural Resources doing giving the overtime permits in the mines section, particularly at Denison Mines, even to this date?

**Mr. B. Newman:** Don't you deliver the cheques in your area?

**Mr. Martel:** Are you aware that the division of mines is now giving overtime permits again to those men who have been overexposed constantly for the past 15 years, and that de Bastiani and company are now getting overtime permits again? What's the Ministry of Labour doing allowing that other ministry—

**Mr. Laughren:** So-called.

**Mr. Martel:** So-called ministry; I have very little time for it because of what it has done to miners.

Why have they got the right to give out work permits? Why isn't that solely in the jurisdiction of the Ministry of Labour?

**Hon. B. Stephenson:** I can't answer that question. I don't know why that ministry has that right.

**Mr. Haggerty:** The Minister of Health, Elie.

**Mr. Martel:** A second question comes to the fore: There was another minister who left a couple of years ago to run federally—he didn't make it either—but he wanted to get for this ministry a good deal of control over the mining industry. Yet the Ministry of Natural Resources has jurisdiction—I think of the Construction Safety Act, for example,

which comes under this ministry. But in fact this ministry cannot go into a mining area and supervise the construction in a mine or on mine property. Therefore the expertise that's within this department cannot be applied in mining.

That's ridiculous, and again I ask—I've been asking ministers for a number of years—that you people be responsible for this, and not the Ministry of Natural Resources. They don't have the expertise. If we are going to protect workers, your ministry should be granting permits when necessary, but only in an emergency.

Now they are getting permits when a piece of equipment breaks down, and I don't mean major equipment. I can see when the main conveyor belt in an underground mining operation breaks down that there is a necessity for overtime. But I certainly can't see the necessity for overtime when a scoop tram breaks down—yet overtime is being granted there. I say that this ministry has got to get hold of overtime permits in mining under the Construction Safety Act.

Another point I want to raise also comes back to this point of mining. Have you got anyone involved in the calculations which are going on at the present time with respect to the work level months which the miners in Elliot Lake have been exposed to?

**Hon. B. Stephenson:** Have we any input into that at the moment?

**Mr. Martel:** Yes.

**Hon. B. Stephenson:** No, the Ministry of Health is responsible for that aspect, and I think it properly belongs there. I think that one of the things which encourages me in this situation is the fact that a new direction is being taken within government at the moment—the co-operative direction of the four ministries that I mentioned earlier, Health, Natural Resources, Labour and Environment in relation to the whole area of occupational health and occupational health hazards.

I would see this as a move in the right direction, probably in the direction that you are alluding to. But I would remind you that uranium mining is not one of the areas which is under provincial control.

**Mr. Martel:** No, you can't get out of it that easily. You might tell one of the new boys that, but please don't tell me. The federal authorities allowed the province a number of years ago to have jurisdiction over the uranium mines. They were only going to oversee it, but in fact the—



[9:15]

**Hon. B. Stephenson:** Oh, no.

**Mr. Martel:** Oh yes, Madam—

**Mrs. Campbell:** Minister.

**Mr. Martel:** Minister. You do have—

**Mrs. Campbell:** Call me Madam.

**Mr. Martel:** —this right. In fact the jurisdiction is under Ontario, and was granted by the Atomic Energy Commission. And you failed miserably. What I am leading up to is I want to know whether you are aware of the way the work level months are being calculated.

They've got a new one. They are going to be able to prove that no man has been over-exposed in Elliot Lake. They are taking the number of workers and the total number of hours and simply dividing one into the other—leaving out the fact of holidays, sickness, the whole business. When you do it that way it comes out that no one has ever been over-exposed. Isn't that amazing?

I guarantee when the report comes out, in about three weeks time, you will find that there will be hardly a man who has been over-exposed and yet we've got 447 pre-silicotic. And according to Dr. Charles Stewart we are going to have over 100 cancer cases. With this new formula they connived and schemed—some bright boy dreamt it up over in Natural Resources—I guarantee we will not have anyone over-exposed. That's what worries me—it has worried me for as many years as I have been in this Legislature.

I have nothing but contempt for that whole mines division of the Ministry of Natural Resources.

**Hon. B. Stephenson:** Have you directed the question, Mr. Martel, to the Minister of Health (Mr. F. S. Miller) regarding the new methods of calculation you suggest?

**Mr. Martel:** I just found out within the last 48 hours that that's what is going on. I now have to start to probe to see if in fact it's so. Of course there will be all kinds of denials at first—as the Ministry of Natural Resources is wont to do. They have been denying everything about safety—

**Hon. B. Stephenson:** I would suggest that you direct the question to the Minister of Health.

**Mr. Martel:** Well, their record hasn't been very positive either. They knew a long time

ago, along with the Compensation Board, that people were dying of cancer in Elliot Lake, and that the death rate was three times higher there than anywhere else in the province. And they didn't do a thing about it except sit on it.

The Ministry of Health is really no better; that is why I moved a private member's bill suggesting it all come to the Ministry of Labour—as under the Saskatchewan legislation—because you've got safety and health. Therefore you should be responsible for it everywhere, in every plant. None of it should belong to the Ministry of Natural Resources.

**Hon. B. Stephenson:** I think it is much more rational to have the responsibility shared with co-ordinate effort—with the Ministry of Labour supplying the expertise it has, and the Ministry of Health supplying the expertise it has.

**Mr. Martel:** Tell me where the buck stops then. You see, that's too easy.

**Hon. B. Stephenson:** With the Ministry of Health.

**Mr. Martel:** He'll say, "No, we don't have the expertise."

**Hon. B. Stephenson:** I think you will find—

**Mr. Martel:** And the Ministry of the Environment will say to us, "But we've got to get an invitation from the Ministry of Natural Resources to go in and the Ministry of Natural Resources hasn't invited us in yet, therefore we can't go in and investigate it."

**Hon. B. Stephenson:** May I invite you to be patient for another few weeks until an announcement is made regarding the co-operative effort in this area?

**Mr. Martel:** But do you realize one thing? We've been complaining about Elliot Lake for as many years as I can recall—particularly in the last two—and to this day most of the people are working in areas of over-exposure. You, a physician, surely should realize that we can no longer allow men who have already been over-exposed to continue. Nor can we allow people who are over-exposed to work overtime. It just has to stop once and for all, and it's not.

I begged the Minister of Natural Resources (Mr. Bernier) to buy the individual safety packs that are available in the United States and Sweden. There hasn't been one purchased in the 15 or 18 months since the

real flak hit the fan in the spring of 1974. There's no one with an individual pack up there.

All of those people were endangered then; what has it been like with another year added? We know that by October of this year past there had to be at least another 20 or 25 men who exceeded the work level months for one year—four, which we understand is being considered as too much exposure now. As a doctor you probably know more about it than I do, that the four work level months is no longer considered tolerable.

**Hon. B. Stephenson:** It's in question.

**Mr. Martel:** All right, it's in question. We should err on the side of what then? If we are going to err, if we are going to make a mistake, on what side should we make the mistake?

**Hon. B. Stephenson:** You know the answer to that.

**Mr. Martel:** I know it, but the problem is that the government of Ontario has not recognized it to this date, because the Ministry of Natural Resources is giving overtime permits right now for the craziest reasons imaginable.

**Mr. Haggerty:** I don't think they are exempt under the Employment Standards Act.

**Mr. Martel:** The Minister of Natural Resources is giving them work permits.

**Mr. Haggerty:** I don't think he has the right to though.

**Mr. Martel:** Well, he is the one that grants them. That's my original question. Why in God's name is the Ministry of Natural Resources given that authority to grant permits?

**Hon. B. Stephenson:** And I answered your question: I don't know.

**Mr. Martel:** Well, take it away from him.

**Hon. B. Stephenson:** I will find out.

**Mr. Martel:** Would you give us an answer?

**Hon. B. Stephenson:** I will try.

**Mr. Martel:** This really bothers me. A second question, could you check to find out the criteria, to find if I am right? You say there is a new spirit of co-operation so maybe you could find out.

**Hon. B. Stephenson:** It will be more than spirit shortly.

**Mr. Martel:** I hope that by tomorrow you can tell me that you have met one of your colleagues in the hallway and he told you that that was not the way the work level is being calculated. I would hope I'm wrong. I would hope my information is wrong, but I'm almost certain that it's not.

That's the second point. We are in serious trouble there too. I just can't tolerate seeing more men—in fact, I just finished speaking to one of the cancer cases from Elliot Lake. That's why I was late coming down and it will come under the Workmen's Compensation. He is trying to get relocated in St. Catharines and the Workmen's Compensation Board is saying no. They won't provide the funding. That's where I was until I came in.

I just can't tolerate those types of cases any more. It is just too pathetic to watch families destroyed. They have never been protected and I honestly don't think they are being adequately protected, yet because Natural Resources will give in every time to the mining barons.

I will pass.

**Mr. B. Newman:** At the outset I would like to add my voice to that of the many other colleagues that have made mention of the extremely capable way in which you, Madam Minister, are handling the estimates and also how well informed you happen to be in such a short period of time.

**Hon. B. Stephenson:** I have had very good teachers.

**Mr. B. Newman:** I won't just argue with you on that. In the few years I have been here, I don't recall anyone that has been able to grab hold of a ministry as quickly as you have. It speaks well for your sex too.

**Hon. B. Stephenson:** Orientation or gender?

**Mr. B. Newman:** Some of the topics that I wanted to raise, Mr. Chairman, were brought up by my colleague, the member from the great riding of Rainy River (Mr. Reid). It's still a great riding. When you have a member like that sent back by increased majorities all the time, it must be a great riding and the people in the area must be great people.

**Mr. Laughren:** Why is he not the labour critic any more?

**Mr. B. Newman:** It doesn't matter why one isn't one thing any longer. There are a lot of reasons for a lot of things taking place. We are here to discuss the Ministry of Labour's estimates and not personalities.

Who is to blame for the fact that in the Sarnia area today we have to import so many workers from the US? Is it a fall-down in communications? Is it a lack of preparation of our labour force for the job? Is it a specialized type of job for which you cannot find suitable manpower in the Province of Ontario?

**Mr. Martel:** Bad immigration laws.

**Hon. B. Stephenson:** This is obviously related to precisely the area that Mr. Skolnik was speaking to regarding our information about labour manpower in the province, and obviously it relates as well to our preparation of young people for the labour force. I can't tell you who is to blame. I will try to find that out as well.

**Mr. B. Newman:** To me, this is where some research should be involved by the ministry to find answers to some of these questions.

**Hon. B. Stephenson:** That's precisely what the research department is looking at.

**Mr. B. Newman:** It really is a shame that we have to import workers into the Province of Ontario when there are thousands who are unemployed. Mind you, some of them do not require too many skills; as a result, maybe our own people would rather work at something that is equivalent to their current skills than sort of downgrade themselves in terms of skills.

I'm wondering if the ministry is involved in studying the effects of the shorter work week as far as manpower skills are concerned and as a way of reducing the large numbers of unemployed?

**Hon. B. Stephenson:** I know that this is something that has been examined. I'm not sure that it's being—

**Mr. R. D. Johnston:** I don't think it has been examined quite in the context of Mr. Newman's question. Are you asking whether the shorter work week creates more employment or not? Is that the question?

**Mr. B. Newman:** Yes.

**Mr. R. D. Johnston:** I don't think we really can answer that. We've studied the shorter work week in a number of other respects—in terms of job satisfaction, how long it lasts, whether they revert to the old work schedule and that kind of thing—but not really in relation to whether or not it creates employment.

**Mr. B. Newman:** Take the auto industry itself, where it's generally feast or famine.

**Mr. R. D. Johnston:** That's right.

**Mr. B. Newman:** Anyway, it is at the present time. But were you to reduce the work week in the auto industry to 40 hours, an eight-hour day, think of the numbers you could add to the work force. Have you people looked into that at all?

**Mr. R. D. Johnston:** No, I can't really say that we have. I'm sorry, but when I answered your first question I thought you were talking about the compressed work week, which is different to the shorter work week. But the answer to your second question is that we haven't.

**Mr. B. Newman:** Is the ministry considering amending legislation so that the work week would be 40 hours and the work day eight hours, and overtime would be after 40 hours a week?

**Hon. B. Stephenson:** It has already been suggested by Mr. Bounsall that this is something the ministry should look into. In the amendments to the Employment Standards Act, last year, in fact the work week was shortened by four hours at that time, as you know. The Employment Standards Act is being studied on an almost continuous basis.

**Mr. R. D. Johnston:** There is one aspect of this that Mr. Skolnik might speak about, the reduction from 48 to 44, and whether that created jobs or not.

**Mr. Skolnik:** As you are probably aware, Mr. Newman, the number of hours after which premium rates are required was recently reduced from 48 to 44. We have undertaken a fairly detailed study of that. It involves interviews in about 90 firms, with employers and some with employees, and getting what quantitative material we can from the companies about their payrolls so that we can see whether more people were employed as a result, whether it had no effect at all on the number of workers employed but that they just paid higher rates to the same number of people or, in general, to see what the effects were on organization and payrolls.

One of the serious problems in doing this study, however, is that we're comparing the year during which this change was made with the previous year. The economic conditions, particularly in industries like the auto industry, differed so significantly between those two years that it becomes very difficult to isolate the effect of the change in the legislation. To try to get around that we've looked for industries which were least affected by



the economic downturn. We found five industries that we think were generally less affected than most other industries. Probably in three or four months we will have some information available from this study.

**Mr. B. Newman:** Have your officials looked into the legislation that I introduced last year related specifically, to this topic of reducing the work week to 40 hours and the work day to eight hours? Some of your officials have been here now for years.

**Mr. R. D. Johnston:** It's not very long, as you know, since we reduced the work week from 48 hours to 44 for payment. At that time, the ministry and the minister of the day considered whether it should go any further than that, and the decision made was that it shouldn't. We will certainly be reviewing this again because we review the employment standards legislation on a regular basis.

[9:30]

**Mr. B. Newman:** Could you not amend the legislation so that it would affect a specific type of industry? For example, the auto industry. The unions have asked you to reduce the work week to 40 hours and the work day to eight hours a day. They asked you this by telegram last year. I can give you a copy of the telegram if you wish. What has been your reply to that?

**Mr. R. D. Johnston:** The reply is that we haven't acted on that suggestion. You know the auto community as well as we do—there are about as many reasons for doing that as for not doing it. The auto companies have, I'm sure, told you as they've told us, that doing what you suggest may, in fact, be counterproductive in terms of employment because of the relative freedom of moving production back and forth between Michigan and Ontario. The laws in Michigan are if anything less restrictive than ours at the moment.

**Mr. B. Newman:** I think you do make a point there. However, I think you shouldn't simply stop at that. I think you should specifically reply to the union, if you haven't done, as to why it is not practical to reduce the work week to 40 hours as well as the work day to eight hours. You must reply to them and you must give it to them as you see it.

**Mr. R. D. Johnston:** I don't recall the specific correspondence that you speak of. I know that there were telegrams—no doubt, at the same time that you're speaking of—urging us to be a good deal more hard-nosed about issuing overtime permits and that's just what we have been. Perhaps, when we come to the

vote on employment standards, other staff could give you more information on that. But we have been putting the employers through a much more searching examination before we issue overtime permits in the auto industry, particularly during the period when there were lots of layoffs. The result was that there were very few issued in comparison with other years.

**Mr. B. Newman:** I don't think the auto industry would complain so much if you made overtime voluntary, not obligatory on the part of the employee—if you allowed him to have a choice as to whether he wishes to accept that overtime. I would assume that in the industry there would, if you went down the seniority lists, be enough people willing to accept that overtime.

**Mr. R. D. Johnston:** My understanding is that the collective agreements that were entered into a year ago added provisions just about as you're describing them.

**Mr. Bounsall:** They still had to strike to get it through.

**Mr. Mancini:** At least they can still strike here.

**Mr. B. Newman:** I wanted to bring up two other items here. Has the ministry looked into the self-serve gas station and its effect on manpower needs? We're going to end up eventually by having few regular gas stations and the balance will be all self-serve for which you need a minimum amount of skill—just someone who can punch a cash register and give change. You yourself are the service man. I think you're going to get a completely new type of employee required. I hope that they save that type of employment for the handicapped, because they can punch cash registers just as easily as the able-bodied. The other thing I wanted to ask is, have you studied the effects of Sunday closings on manpower needs? It can have a real effect on university attending and college attending students.

**Mr. Cassidy:** That is not what your leader was saying, upstairs.

**Mr. Mancini:** What did he say?

**Mr. B. Newman:** You tell me what he said. I am not up there.

**Mrs. Campbell:** There is a difference between asking what the effect of something is on a certain situation and speaking as a principle on a bill. I think you would know that by now.

**Hon. B. Stephenson:** A specific study on the effects of Sunday closing has not been isolated and done, but the effects of Sunday closings have, apparently several years ago, been examined at least superficially. There are some questions raised by the fallout of Sunday closing, or a specific pause-day closing, whatever that day may be.

**Mr. B. Newman:** I will ask these questions when we get into the specific vote. I am sorry for taking up that time.

**Mr. Bounsall:** One statement by the minister this afternoon, in response to getting involved in representing workers, intrigued me. You said you felt that you represented all workers, including those who weren't paid. I assume you don't mean by that those who don't work but do get paid; the unearned income.

**Hon. B. Stephenson:** I was specifically thinking of the very large percentage of the female half of our population who work for very long hours every day of every week of every year without any direct kind of financial recompense.

**Mr. Bounsall:** That is what I hoped you were speaking of, and not the coupon clippers. What steps, specifically, are you taking in that area? Are you, in fact, recommending a wage for this group of workers?

**Hon. B. Stephenson:** No, I have not made that statement at all and I am not sure I would make that statement. I have concern, grave concern, for the work conditions of housewives, I would like you to know, since unfortunately most of our architects, our engineers, and our appliance designers are male and the hazards of living in a house with male-designed appliances is very great. I have grave concern for the occupational safety of those workers.

**Mr. Bounsall:** Will they be covered by workmen's compensation?

**Hon. B. Stephenson:** That is, I suppose, a possibility at some point. I think what we really need are more female engineers and more female architects who have some knowledge about what these things should be and, therefore, will design them in a way which will make them less hazardous.

**Mr. Bounsall:** I was interested in what your specific initiatives would be as the Minister of Labour, and you have outlined at least one in the workmen's compensation area that comes under your jurisdiction. Have you any others in mind?

**Hon. B. Stephenson:** I have lots of ideas, but I am not going to ventilate them here.

**Mr. Bounsall:** Lots of ideas that come under the Labour ministry?

**Hon. B. Stephenson:** I might just have a little difficulty with some of them mind you.

**Mr. Bounsall:** In that same regard, we still have an exclusion under our Labour Relations Act; the right to organize—not that they ever would or that they would ever be easy to organize—is still denied to domestic help. What to do you feel about that?

**Hon. B. Stephenson:** It is not the only group that is specifically excluded.

**Mr. Bounsall:** I know there are others too. We can go into those one by one, if you like. But here is a specific group that is a paid group. Relative to the very group you are talking about, the only difference is they are paid. They are the paid domestics and they are continuing to have a right taken away from them. I can't see the group being organized very easily, or perhaps wanting it. For this group of workers—the same people who work with the same hazardous kitchen devices you speak of, only they are paid for it—our labour laws say, "You are denied your basic right to organize." What do you feel about that?

**Hon. B. Stephenson:** Thank you for informing me. I will look into it.

**Mr. Bounsall:** Okay. One comment on a subject which has just come up here—that of overtime starting after 44 hours. As you have described it, you are comparing the situation this year to last year in your studies. Surely it would be more useful to have a look at the changes being made by companies, any company, with respect to their hiring practices since the figure at which overtime starts drops from 48 to 44 hours, rather than having gone through some labours to find five companies which you don't think have changed from one year to another? Secondly, I wonder about you tackling it in that way at all, because in the plants in which overtime has been a problem—the auto plants in particular, and in particular the Ford plant in Oakville—for years they have much preferred to pay the overtime than to hire additional people. They feel in a sense it's cheaper, by the time they get someone else on the payroll and on to their benefits—

**Mr. Haggerty:** The employees wanted—

**Mr. Bounsall:** No, that was the plant, for your information, Mr. Haggerty, that led the



fight within the UAW to get voluntary overtime in, and every worker there felt it. They were working 60 hours a week because they had no way out. They were required to work it.

We have all kinds of evidence in this province on workers who did not want to work overtime and the company said "Yes, you must." The company's reason was very clear. So I am wondering about the whole rationale of your study, in the light of the way other companies have operated over the past. They would prefer to pay the overtime because in the long run it's cheaper—particularly when you bring the benefits in—than to hire new employees.

The way around it then is not to look at the effect of that overtime hour starting position as a means of creating more jobs but to reduce the hours of work to 40 from 48. The overtime provision means it costs the company a little more money for the hours they want the employees to work but that's cheaper than hiring new employees if you believe the auto companies' arguments. If you want to create more employment, a reduction in those hours will do it. Then it's the hours that need to be reduced to the 40.

**Hon. B. Stephenson:** I am afraid you misunderstood the criteria which Mr. Skolnik is using for his study. I think perhaps we had better ask him to explain them again.

**Mr. Bounsall:** Maybe I misunderstood them.

**Mr. Skolnik:** Yes, it was five industries, not five companies. It was about 100 companies. I hope I didn't mislead you by referring to some of the quantitative data that we are trying to collect. That is part of it which we have only limited hopes of being able to get very well.

There is more emphasis on asking about changes in policies with regard to overtime. Specifically you can ask things like "Have you changed your policies with regard to overtime?" Or you can get down to fine points within that—finding out if they have changed the rates; the step, say, after 44. Perhaps the old rate was time and a half after 44, perhaps now it has changed to double time after 48.

But we are after a lot of qualitative and discussion type questions and that's why we are using interviews. It's not so much comparing one year with the next as trying to get at the changes in overtime policies which have taken place since the change in the overtime regulations.

We could have looked at the auto industry and some industries which are really hit hard by economic conditions, but we felt that in situations where there were a substantial number of layoffs we could describe what changes took place in overtime policies but there is really no valid way we could try to attribute those changes to the changes in the regulations. The change in economic conditions would be of such a magnitude that I think it would swamp any subtle effect of having to pay time and a half for those four hours rather than after 48. So that's why we tried to concentrate on industries that were less affected.

As for your question about why would another four hours cause employers to change? Why not just keep employing the people on overtime and pay the extra four hours times time and a half? This is what we might find out, but that's why we are doing the study because we feel that there may come a point, as you keep reducing the number of hours, where they don't do what you suggested and where they do make significant changes. Maybe they would add new lines or new machines so that they could perhaps hire more people and not run on overtime at all. But the purpose of the study is to find out.

**Mr. Bounsall:** With the small change that was made—that is, just the overtime starting at 44 rather than 48—I would be willing to bet that you find no change, bearing in mind how companies acted in the past who are paying overtime after 40 through collective agreements. This was to require everyone to work the 48 which is what the auto companies did plus get permits if they could—the whole bit—automatically working the extra 100 hours a week per employee across their entire plant. They found that to be a cheaper way of doing business than to add additional personnel because of the fringe benefits that are associated with the hiring of those persons.

What I am saying is that I don't think you will find much change, after your study, based on companies that have been paying overtime after 40 hours under a collective agreement and how they acted in the past under that agreement, which was to get from their workers as much overtime as they possibly could. If the ministry wants to look at it from the point of view of employment-producing opportunities, you've got to move down to the 40 hours of work. I'm not talking about overtime rates, which you can leave at 44 if you want; it would be better at 40 hours, in my opinion, but the hours of work should be reduced to 40 from 48, which



it still is. You should do that if you really want to create more employment opportunities. If you keep it at 48 hours, irrespective of what level you set the starting overtime rate, the time and half or double time or whatever is being paid, on the basis of what has happened in the past, you'll find that employers will pay the overtime rather than take on more employees at fewer hours per employee.

[9:45]

**Hon. B. Stephenson:** You are suggesting this is an attitudinal problem rather than anything else.

**Mr. Bounsall:** Both attitudinal and—

**Hon. B. Stephenson:** And economic?

**Mr. Bounsall:** If you believe the auto companies' arguments or some of the arguments from the big mining and smelting companies, in fact it is cheaper for them to pay the overtime rather than take on the additional employees. If you are interested in creating more jobs, you shouldn't fiddle with the overtime but the required hours of work.

**Hon. B. Stephenson:** One would hope that at least some indication will come out of the studies which are being conducted at the moment.

**Mr. Bounsall:** I bet it wouldn't be any different than what's gone on in the other companies before.

**Hon. B. Stephenson:** Okay, you are on for 10 cents.

**Mr. Bounsall:** Okay.

**Mr. Mancini:** Could I speak on a point of order here? I just want to make sure I understand Mr. Bounsall. Is he saying—and maybe he can clear it up—that he feels there should be no overtime or just overtime in some cases?

**Mr. Bounsall:** No, not at all. There are two different parts of this Act. I don't know whether you want to take the time on this point, Mr. Chairman. I certainly can. There are overtime hours—

**Mr. Chairman:** I really think the question should be directed to the Chair and to the minister. That's the purpose of the estimates.

**Mr. Mancini:** Fine, thank you.

**Mr. Chairman:** If you wish to direct that question later on, fine.

**Mr. Mancini:** I can talk to Mr. Bounsall later.

**Mr. Bounsall:** I'll pass for the moment.

**Mr. Chairman:** For the information of the committee, I think I should again read out the list I have before me so you'll know the order in which you'll speak: Williams, Haggerty, Wildman, Angus, Cassidy, Davidson, Mancini.

**Mrs. Campbell:** Mr. Chairman, are the speakers on the list you have just read addressing themselves generally or to main office? I'm a little confused at this point as to our procedures. I would like to address some remarks on research, but I'd like to know where we are at the moment.

**Hon. B. Stephenson:** You are not alone.

**Mr. Chairman:** I think in any estimates that come before this committee you'll find that if you read the programme description it's most difficult to really define it. It's your responsibility as a committee, of course, to ask any question you wish; but with the descriptions of the programmes, particularly in main office, it is very difficult to say yes or no. I would just remind the members that our time is limited in this committee, and it is entirely up to you how you use it.

**Mrs. Campbell:** Mr. Chairman, if we are going to do the whole thing in the one vote, and we aren't going to be debating it later, then I would ask that my name go down so I could add to my other items of debate and not get lost when we get to the vote I want to speak to.

**Mr. Chairman:** I am glad to inform you, Mrs. Campbell, that as soon as the list is exhausted we will be asking for a vote on item 1, and we will go right down the line to item 8.

**Mrs. Campbell:** Right.

**Mr. Williams:** Mr. Chairman, I was really going to speak to the same matter discussed by Mrs. Campbell. I realize the difficulty you work under when you deal with the very first item on any ministry's budget because it is far-ranging. I think it is useful to allow—and necessitates that you allow—a fair degree of latitude.

However, I did wish to remind the Chair that we've been going for nearly five hours now without dealing with any specific budgetary item. I really feel that while all members of the committee should be given an

opportunity to deal with specific concerns they have in their ridings or with specific political, philosophical points of view, it might be more productive and useful if we could relate those to specific budgetary items which arise through the rest of the estimates.

If we could move into the more general estimates and reserve the specific criticisms as they might relate to specific budgetary items, I think we might be able to move along a little faster. If you feel there's any merit to that, Mr. Chairman, I would suggest or ask that you exercise the authority of your Chair and try to restrict the members to exercising their right to speak on specific budgetary items; even if they want to speak for an hour or so at least we'd be moving along into the budget.

Five hours and still without one item dealt with becomes a little tedious. I do appreciate the patience you're exercising in this matter but I think we can exhaust that after a while. I would hope that we can at least get through the first item tonight before we go home.

**Mr. Chairman:** I realize, Mr. Williams, I could call for a vote any time and, of course, if the committee said no, we would carry on with the discussion anyway. I will ask the members to consider what Mr. Williams has suggested. He's offered this to the committee for their consideration. However, we'll have to continue with the discussion and I hope they will govern themselves accordingly.

**Mr. Haggerty:** Of course, government is a process of bargaining, isn't it?

I wanted to follow comments from my colleagues, the member for Sarnia (Mr. Bullbrook) and the member for Windsor-Walkerville. It relates to the apprenticeship programme that's lacking in the Province of Ontario. I'm amazed at the comments of one of the staff of the ministry here on the apprenticeship programme as it relates to job vacancies and the monthly unemployment rate and many other points he covered.

When I think of the situation in Sarnia today where we have to employ—what is it?—some 900 to 1,200 personnel from the United States, it certainly does indicate that our apprenticeship programme in the Province of Ontario to create skilled tradesmen has been a complete failure. I go back to Hansard of Oct. 29, 1974, at S-2007; the matter was raised and Mr. R. D. Johnston was speaking:

Coming back to Sarnia, that, plus the work that will need to be done over the next six to nine months, will tell us a lot more about whether those needs have to be met just by a crash training pro-

gramme, whether they need to be met by getting people from other regions of the province—maybe we will find that there is a surplus of a certain trade in another region of the province and some effort should be made to get them to Sarnia—or whether the unions are going to have to assess some of their traditional jurisdictional approaches. Because this is being done sort of under the benevolent gaze of the construction industry review panel, we are hoping that management and labour will take a real interest in this thing and be prepared to perhaps review some of their traditional practices, if that is what is needed to ease the strain.

To this day we still have a serious problem with the tradesmen we do have in the Province of Ontario. I think one of the other further comments was that we'd have to wait and see what the Judge Wiseberg report would say. It did mention something in the Judge Wiseberg report dealing with the construction industry in the Province of Ontario, relating to employment opportunities through the hiring halls of unions.

I think this is one place where I can be critical of the hiring practices of the unions. They have kept the apprenticeship programme to a stage which is almost nil. It's a closed shop, let's put it that way, in terms of the unions. They want only so many persons in the training programme regardless of what the need is, so that they can, perhaps, create a shortage of tradesmen. I suppose when you do that, you can see all the other benefits which come along to those in that particular field. It's regrettable that this ministry and the previous ministries of Labour have not dealt with the problem that faces us today.

As the critic of the Liberal Party here, I have brought to the attention of the government that there was going to be a great need for an apprenticeship programme, and for a vast improvement in it. I regret that it has been moved from the Ministry of Labour. I think it should go back to them. As I have stated before, I am from the old school of apprenticeship. It has been an excellent opportunity to learn my trade. I think there are many young people, perhaps walking the streets, who are not interested in school. They get tired of going to school beyond grade 12 or grade 11, but they are still capable persons if they are given the opportunity to get into the working field through an apprenticeship programme.

I can cite another instance where Fleet industry in the Fort Erie area has had a crash programme with Canada Manpower to train personnel. I have seen other industries in the area have a crash programme to train welders through Canada Manpower. In a sense, I don't think this is what we are looking forward to. In some cases these crash programmes are a benefit to the company in



that they can keep a person there for two or three months under the false pretence of future employment in that industry. They get the labour for almost nothing. When the three months are up, they are out the door. It doesn't apply to every one, but there are a great number of people who are caught into this programme and treated this way.

I know there is a shortage of welders throughout the Province of Ontario today. There is a good opportunity through the proper training programmes—not through the colleges, but through job training on the site—for us to get the welders that we are looking for. The only way you can train a welder is through on-the-job training. He has to start someplace along the line, then work himself on up through a programme.

You must have an effective training programme in the Province of Ontario if you are going to have the skilled tradesmen for the production growth that is required in Ontario. We have looked to Italy, we have looked to many places in Europe for tradesmen to come over here; but now there is a shortage there. In all the years that I have sat here and seen this go by the wayside, I can only criticize one person, and that is the Minister of Labour for not having the initiative to see what is wrong with our system.

At a time of high unemployment in the Province of Ontario, when we have to look to another country for tradesmen, it's a complete failure in our school system and in the Ministry of Labour. You have had ample time to provide the type of skilled tradesmen that are required today. You are going to find in the mining industry also that persons do not want to go down into the mines because perhaps they are not skilled.

**Mr. Wildman:** The mines are not safe.

**Mr. Haggerty:** Some of them are. I think they are. I am thinking of one or two particular ones where I would agree with you that they are not safe, but there are other mines that have good safety inspections and good safety regulations that are applied in them. They are not all in that category.

You are going to have problems in the Province of Ontario unless you come up with a good apprenticeship programme.

That's my one comment. The other is that the member for Windsor-Walkerville (Mr. B. Newman) mentioned those persons who are disabled through job disability. I can cite a number of workmen's compensation cases where young persons who have a degree of back disability have to have a job of modified light work, whatever that may be. In many

cases they lose their employment through that degree of disability and there is no programme of rehabilitation there. You can talk all you want about workmen's compensation but there is nothing there for rehabilitation to get that person back into the working field. [10:00]

We have a rehabilitation centre. That's about as far as it goes. But when it comes to a retraining programme, you have one of the weakest there is.

I find that there are many people today who are looking for employment and there are no opportunities for them. I think the government, through the Minister of Labour, must find jobs for them. In other words, what I am saying is that two or three per cent of all jobs in the Province of Ontario must be suitable to provide employment for a disabled person.

Look at Workmen's Compensation. A few years ago, you could go to the old building at the lakefront and would find persons with some degree of disability running the elevators. You can go into the new building and there isn't a soul on the elevators. Yet the elevators are jammed with people. There could be jobs provided in this category alone.

I think there are many places where people and industry should be educated in this way to employ persons with a slight degree of disability. A few years ago, to get a job on the canal from the St. Lawrence Seaway system, if you were a veteran or you had some degree of disability you were the first person to be hired. Today they won't hire a person unless he is in A-1 shape. If he has any degree of disability or a Workmen's Compensation claim he is almost blacklisted. He has very little opportunity to obtain full employment.

I think some place along the line Workmen's Compensation and the ministry here have an obligation in the case of those persons who have an injury. Where industry says there is no place for you in our place of employment, then the ministry must step in and take action and see that these persons have no loss of income.

There are many of them who can be re-trained. As I said before, you have one of the poorest retraining programmes for job placement that I can think of. I say this because I feel it needs some direction, some administrative policy changes. I think it must come from the minister.

There are perhaps some other things I should be talking about.

**Mr. Chairman:** Do you wish to answer that?



**Hon. B. Stephenson:** I would just suggest that we consider the problem which has been raised latterly by Mr. Haggerty on Nov. 26.

**Mr. Haggerty:** I'll tell you this, it's a waste of time talking to them. There's nothing that gets down in the records. I hope, if you are going to have a meeting with Workmen's Compensation, that everything goes on tape this time.

**Mr. Chairman:** I wish to inform you, Mr. Haggerty, that the board will come before this committee. It will be recorded.

**Mr. Haggerty:** It will be recorded. That is a change. It must be a change in the ministry. I'll have to give credit to the minister then.

**Hon. B. Stephenson:** Not specifically; but thank you, that's very gracious of you.

**Mr. Haggerty:** That's quite a change, then, that we will have it on record this year. I feel that sometimes in dealing with the Workmen's Compensation, their opinions, and perhaps their interpretations of the Act, are not followed within the board itself. I think by getting things on the record we can continue in that capacity to interpret the Act as it should be.

There are other things here dealing with the employment standards branch, but I think some of these were mentioned before. We're way off base and we'll get into it as the vote comes up.

**Mr. Chairman:** Mr. Angus.

**Mr. Angus:** Madam Minister, I would like to get an update from you on the ministry's present involvement in the strike at the Port Arthur Clinic which has been going on for I don't know how many months now. I'm not exactly sure what the status is back in Thunder Bay, but maybe you can fill me in on what has been happening.

**Mr. Chairman:** Do you have it at your fingertips or would you rather—

**Hon. B. Stephenson:** Unfortunately both Mr. Dickie and Mr. Scott have just this moment departed. If we could—

**Mr. Angus:** Okay, I can hold that.

**Mr. Chairman:** Mr. Cassidy is not here. Mr. Wildman is not here. Mr. Davidson.

**Mr. Davidson:** Thank you, Mr. Chairman. Madam Minister, are you aware of this occupational disease known as byssinosis, which occurs in the textile industry? If you are aware of it, are you prepared to put it on

the list of claimable diseases under the Workmen's Compensation Board?

**Hon. B. Stephenson:** This would have to be discussed with the medical staff at Workmen's Compensation Board. It would have to be considered by the occupational health hazards division or the thrust which is being developed conjointly within the ministries right now.

**Mr. Chairman:** Mr. Mancini?

**Mr. Mancini:** I think I will pass until we get further on into the vote.

**Mr. McCague:** Mr. Chairman, there has been a lot of talk about lowering the hours in the work week, and nobody has said anything at all about what effect this has on industry. Obviously, if you lower the work week you have to hire more people, and you don't get more productivity. I wonder if our Madam Minister has any comments on that aspect of it?

**Hon. B. Stephenson:** I gather this is one of the areas that is being studied by Mr. Skolnik in his examination of the change in the work week as a result of the changes in the Act. I am sure the whole area of increasing employment and the levels of productivity will be studied, and that report will be available within the next several months.

**Mr. McCague:** Any attempts to increase employment and still hold costs are honourable. I wonder if we could have some comments on what has been learned to date?

**Mr. Skolnik:** For several years now we have attempted to study the impacts on employers as well as employees of most significant changes in the Employment Standards Act, such as increases in the minimum wage. This change in the overtime regulations is being studied in much the same way as these others have been.

There are a number of problems of getting at that, which I don't think I will go into right now unless you want to hear about them. But one of the things we really try to concentrate on particularly is just what this does to the viability of small employers, marginal employers.

Obviously, it increases their costs. If changes in employment standards have such a significant effect on employer viability as to drive a lot of employers out of business and destroy jobs, then they will do more harm than they will do good for the employees.

This is one of the serious concerns and it is definitely one of the prime interests in this

study. So, we will be trying to find out what effect it has had on employer costs. We will try and determine if they have been able to offset that increase in costs in any of a variety of ways—such as trying to increase productivity, adding new product lines, dropping product lines, or giving more training to their workers. There is a fairly long list of things that employers could do to try and adjust to it; and we are looking at that.

**Mr. Chairman:** Item 1 is carried. Item 2 is legal services.

**Mr. Bounsall:** I have a few questions. Is Mr. Hess here?

**Hon. B. Stephenson:** Yes he is.

**Mr. Bounsall:** I certainly understand the financial breakdown in the estimates this year on this. There is no doubt the lawyers associated with the ministry are paid through the Attorney General and the ministry itself pays for some of the services rendered by those people. They are salaried and you pay for the services which you get from the Attorney General. I understand that. However, that does seem a little bit awkward.

There are probably good reasons for it. Are Mr. Hess and the group of other lawyers associated with the Ministry of Labour—irrespective of how they are paid and how their services are then paid for by you—are they definitely Ministry of Labour lawyers and staff?

**Mr. R. D. Johnston:** They are right in our building. They are seconded to us, I guess is one way of putting it. Mr. Hess, in effect, is still a branch head. They belong to the Attorney General in terms of rations and pay, but we have been able to get lawyers, including Mr. Hess, who are interested in labour law, if you permit me to put it that way. As far as we are concerned, the service is as good as it was before that change was made.

**Mr. Bounsall:** The one question I would have is of their activities. I knew it was quite well listed under the legal branch designation, and we learned from the estimates last year that this legal staff do prosecutions around the province—they get help from various Crown attorneys and assistant Crown attorneys in this. You do get around the province involved in prosecutions. What prosecutions are you involved in at the moment?

**Mr. Kinley:** Mr. Hess will answer that.

**Mr. Hess:** Certainly. Shortly put, construction safety, industrial safety and employment standards prosecutions.

**Mr. Bounsall:** Just the ordinary run-of-the-mill prosecutions arising from violations of those three statutes?

**Mr. Hess:** Yes, some of them may not be quite ordinary, run-of-the-mill cases like some fellow not wearing a safety hat; some of them get a little more complicated than that.

**Mr. Bounsall:** Do you have one or two interesting, unusual prosecutions that have taken place across the province?

**Mr. Hess:** Yes.

**Mr. Bounsall:** Could you tell us about them?

**Mr. B. Newman:** The explosion in the foundry.

**Mr. Hess:** There was an unfortunate triple fatality in the eastern part of the province, the prosecution of which is still going on. There were two in Windsor involving some automobile companies there, one of which we lost. We find that they're being very strongly defended now in many respects—in these cases the companies are hiring better lawyers, or shall I say lawyers who will fight more.

**Mr. Bounsall:** Do you see the need for changes in the current legislation that would make your job easier?

**Mr. Hess:** I can think of a lot of changes that would make it very easy indeed—you're guilty and prove that you weren't within half a mile of the place when it occurred. But you can't go that far, speaking seriously. One always looks for changes — thinks of them. Some people claim that our legislation is a little too one-sided now.

**Mr. Bounsall:** I'm sure you hear it every time you're in the court.

**Mr. Hess:** Yes, that is so.

**Mr. Bounsall:** Would you like to elaborate on any particular area that occurs to you where we should be strengthening the Acts in order to make enforcement of them easier and less subject to loss in the courts—without going to the extreme that you mentioned?

**Mr. Hess:** No, not at the moment. The big problem now is a matter that is dealt with in another area—we find that delay in getting the trials going on is a serious prob-

lem but that, of course, is true of most of the provincial court proceedings nowadays.

**Mr. Bounsall:** Under the Employment Standards Act infractions, do you find that many of the cases which get to the point where you have to take them to court are delayed, delayed and delayed? When an employer clearly appears to be in violation of the Act to the point where he doesn't settle through negotiations but has to be threatened with court action and finally taken to court, do you find that that person, as a general rule, also tries to delay the court action as far as possible?

**Mr. Hess:** The first time up, a case is always to be spoken to to fix a trial date. This may take a month from the time that the summons was served. In some courts the case would not come up for perhaps another month or two and then, again, a further adjournment could be requested.

Delay works for the benefit of the defence, let's face it. Generally speaking, that's a general rule in criminal proceedings. We have other sections now in the Employment Standards Act which we will be using more of in the future. Where there is no real defence to it, we can now go ahead and issue a certificate—in effect, sign a default judgement—and try and enforce that. That would cut out a lot of delay.

[10:15]

**Mr. Chairman:** Shall item 2 carry? Carried. Item 3, research, Mr. Haggerty?

**Mr. Haggerty:** There's quite an expenditure here and quite an increase—well above the 10 per cent. Could you tell me what this is all about? What field are you covering now?

**Mr. Skolnik:** One thing which I should point out is, as you are aware, the July mini-budget did impose some budget restraints. The effect of that has been to reduce our increase in certain categories. For example, a new staff of nine is down here; the effect of that was to increase it by five rather than by nine.

**Mr. Haggerty:** What would the new staff be? Would it be those arbitrators the province is looking for?

**Mr. Skolnik:** No, we're talking about research. The new staff is the area that's referred to in the capital letters there where it says "Labour market information and policy advice"—the word policy was left off—"Labour market information and advice."

That was the new initiative for this year in the research branch and it's to deal with the kinds of problems that I referred to the first time I spoke.

**Mr. Haggerty:** Is the expenditure still \$1,537,900, or have you reduced that?

**Mr. Skolnik:** That has been reduced. The budget constraint exercise is fairly complicated, so it is difficult to work out the precise reduction. I think we have the figures. I can tell you that the \$337,600 there for contract research projects was reduced to \$194,500, and \$194,500 is for one large project dealing with forecasts of construction labour supply and demand by 21 occupational trades and nine regions of the province over a three-year period.

**Mr. R. D. Johnston:** That is the item to which you made reference, quoting me a year ago. That is gone now. There have been two further rejustifications.

**Mr. Haggerty:** I was looking for my answer, you know. You got off pretty easy from the start.

**Mr. R. D. Johnston:** I thought I should remind you. It is going on now but it's been delayed because we've been asked to justify it twice. It's part of these government-wide constraint projects.

The answer to your other question is that the \$1,537,00 we have here is now \$1,292,000 so it's reduced by \$245,000 as a result of the government-wide constraint programme.

**Mr. Haggerty:** When can we expect that study dealing with employment? When would it be completed?

**Mr. Skolnik:** The money is for this fiscal year, so we are attempting to complete during this fiscal year. However, the project was originally intended to begin at the beginning of the fiscal year. Instead we're beginning it in November. One of the biggest parts of it is a survey of about 1,000 construction clients; that is, companies that are expanding, building new plants or undertaking some type of major construction activities.

We will be interviewing them in order to find out their construction plans by type of structure, for somewhere between 12 and 25 structure categories. We want that information, together with information on conversion factors, as we call them. A conversion factor indicates, for a particular type of structure, say a tunnel or an apartment building or something of that sort, how



many man-months of labour for each of 21 occupational trades will be required to complete the construction, and what the scheduling by month over the duration of the project would be.

As you can appreciate, that is a considerable amount of information. To do the interviews, to make reliable estimates of those conversion factors, and then to multiply the conversion factors by the project, by the construction value and work out the man-month requirement for each of the trades by type of structure and then aggregate all of those into totals for nine regions, is a fairly complex undertaking.

To answer your question, finally, after all that, I think we will certainly not have it completely within the fiscal year, although we will have the bulk of the work which requires major expenditures completed within the fiscal year and we are aiming to get the results out in May.

**Mr. Haggerty:** Is there any other study that you are contemplating dealing with pensions? I think I've raised this matter before with the previous minister. He indicated, to some question raised in the House, that there was a study being carried out by the ministry as it relates to pensions, such as the combinations of one or two pensions or combinations of disability pensions with workmen's compensation.

**Mr. R. D. Johnston:** No, I think there is some misunderstanding about that. I seem to recall the question last year or the year before. I think we made reference to what's called the income security review that's being quarterbacked in the Ministry of Community and Social Services. In the earlier stages of that, we had some involvement in it as it related both to employment and unemployment and to workmen's compensation. We haven't had much involvement in it now for nearly a year and if you want to know anything more about that you'd have to inquire with Community and Social Services.

**Mr. Haggerty:** That's the one where they're working jointly with the federal Minister of Health and Welfare? I'm well aware of that, but I thought you had another one here that dealt particularly with pensions and pension funds?

**Mr. R. D. Johnston:** The only other thing I can think of mentioned in the minister's remarks was the task force that I chaired which has since reported on health benefits as it relates to pensions and group insurance.

**Mr. Haggerty:** But that dealt with human rights. I don't think that was the report I was looking for. I thought there was another one there that dealt with—

**Mr. R. D. Johnston:** I can't think of anything else.

**Mr. Haggerty:** Even that report didn't say too much about the female employees in industry—why they are being treated perhaps unfairly when it comes to pensions.

**Mr. R. D. Johnston:** Oh yes, it did. It had quite a bit to say about that.

**Mr. Haggerty:** Quite a bit; but what have you done, though, since then? Have you—

**Mr. R. D. Johnston:** We have now proclaimed the regulations under the Employment Standards Act that make it an offence to discriminate in that regard. And this will—

**Mr. Haggerty:** Every industry?

**Mr. R. D. Johnston:** Yes, and it comes into force in three phases. It's only in force now for what might be called situations where there are going to be new plans, or where they have no fixed renewal date. Then at two later dates over the next year or so, it comes into force for everybody.

**Mr. Haggerty:** And it's antedated, in other words?

**Mr. R. D. Johnston:** No. The regulations are simply written so that they would come into force in some cases in relation to when collective agreements expire or in a fixed time, whichever came first; in other cases, when the group insurance or pension arrangements were up for renewal outside a collective agreement, or at a certain time, whichever came first. They're already in force in all other situations.

**Mr. Haggerty:** In other words, it doesn't cover previous contract negotiations or agreement signed between the company and employee on certain fringe benefits.

**Mr. R. D. Johnston:** We are allowing those to continue until the agreements expire or until a fixed date—

**Mr. Haggerty:** In some cases, these pensions will never expire until death or retirement.

**Mr. R. D. Johnston:** Oh, no. There is a date in every case beyond which they can't get away with that.

**Mr. Haggerty:** And what other important studies are you taking a look at as it relates to labour?

**Mr. R. D. Johnston:** Give you six minutes.

**Mr. Haggerty:** You've got six minutes to spend that \$130,000-odd.

**Mr. Skolnik:** It is very difficult to know where to start. I'll try to mention a few things that will give a fairly representative coverage.

There's a study of union membership that we're involved in. It's just about near completion now; looking at 1974 data on union membership which has just become available in the last two months. What we're trying to do there is indicate the patterns of growth of union membership over the last 10 years, and then go into quite a bit of detail on variation in union membership for 1974 by region, by industry, by type of union, and by sex. There is a great amount of quantitative material there and I think some very interesting things are in it.

Another one that was just completed recently is looking at the effect of some of the background material for the recent amendments in the Labour Relations Act. A lot of this work was done already, but what we are trying to do now is make it available in the form of publications for people who would be interested in seeing it.

With regard to the minimum wage, as John Kinley mentioned earlier, there are two studies there on the characteristics of low-wage workers that are relevant to evaluating the adequacy of the minimum wage. We are doing other work on the minimum wage, looking at trends in the real income of minimum-wage earners, looking at the trends in minimum wage in relation to other economic factors.

The study of the impact of the reduction from 43 to 44 hours before premium rates are required was mentioned earlier.

In the occupational health and safety area, we are involved in trying to analyse the data on accidents and fatalities, most of which comes from the Workmen's Compensation Board. We also are trying to determine trends in fatalities and accidents as far as possible by region, type of industry and such things as the characteristics of fatalities, types of legislation they occur under, what work-related fatalities occur under occupational health and safety legislation, which ones occur under other types of legislation such as public safety legislation. We're also looking at trends in construction fatalities over the last 10 years and the characteristics of those fatalities. Much of this information is near completion now and will be available during this year.

**Mr. Haggerty:** I believe the Health and Welfare Department in the United States made an excellent study on occupational safety areas, and I suppose you can relate it to the comments Mr. Bounsall mentioned before about overtime work. I think in one of the studies that were made there, you can relate the number of accidents to overtime work, long hours and exposure in plants. You can be overtired through the long working days and the overtime, and you become more accident prone. It is a good report. I think it would be worthwhile if your department took a look at it.

**Mr. Skolnik:** That does remind me of some of the work we have done on the compressed work week. We have recently completed a study of experience with the compressed work week in 10 firms and interviewed a large number of their employees finding out their attitudes about working longer days and what they perceive to be the advantages and disadvantages of it. Of course, one of the questions we did go into was fatigue. I believe it was about 20 per cent who reported that fatigue was the major disadvantage. None of them said they would prefer to go back to the conventional work week as a result of it, but yet they did emphasize the fatigue factor. That certainly comes through.

**Mr. Bounsall:** Was there a higher accident rate? Did you discover a higher accident rate with these companies?

**Mr. Skolnik:** In this study we were unable to obtain any information on the accident rate.

We also are near completion with a comparison of compressed work weeks and flexible hour arrangements. The purpose of this study is to see what the differences are in the attitudes of the employees and the characteristics of the firms and units which are on these two types of schedules.

This research does indicate that rather than being two points along the continuum, where perhaps one would start with a compressed work week and then go on to flexible hours or something—they are very different types of innovations in work schedules and they seem to be predominant in different types of industries. The compressed work weeks are much more common in continuous operations in manufacturing, and flexible hour arrangements are much more common in office work and service industries.

**Mr. Haggerty:** I might say under this particular vote on research that the information that comes across my desk, and I guess other members' desks, dealing with some of the research that you have carried out is very

useful information. It is very enlightening to receive it and I have taken note of it, particularly when you mention this compressed work week. I have read that article.

**Mr. Chairman:** It is now 10:30. We have several other speakers who have indicated they would like to discuss this vote. I could put it to you now but I am quite sure you are all quite alert. So we will continue with item 3 tomorrow.

**Mr. Martel:** Mr. Chairman, don't you think the Tories would like to get us to sit past 10:30? Some of them are new in this Legislature.

**Mr. Haggerty:** Welcome back!

**Mr. G. I. Miller:** Mr. Chairman, could I ask one question before you go? It doesn't

really relate to the discussion but I was wondering if the minister could give me a little information on whether it is possible to establish a union headquarters. Do you have any direction over establishing union offices in a new industrial area?

**Mr. Chairman:** Actually, I don't think that comes under this vote. If you wish to talk to her after on that, or tomorrow, that would be fine.

It is 10:30. I think we should adjourn until tomorrow. I would like to ask the committee to do its best to be here at approximately 10 minutes after question period. We were a little late in getting started today.

The committee adjourned at 10:30 p.m.



## CONTENTS

---

Thursday, November 6, 1975

Ministry administration programme, continued .....	S-179
Adjournment .....	S-207

## SPEAKERS IN THIS ISSUE

---

Angus, I. (Fort William NDP)  
 Bain, R. (Timiskaming NDP)  
 Bounsall, E. J. (Windsor-Sandwich NDP)  
**Campbell, M.** (St. George L)  
 Cassidy, M. (Ottawa Centre NDP)  
 Davidson, M. (Cambridge NDP)  
 Haggerty, R. (Erie L)  
 Laughren, F. (Nickel Belt NDP)  
 Mancini, R. (Essex South L)  
 Martel, E. W. (Sudbury East NDP)  
 McCague, G. (Dufferin-Simcoe PC)  
 Miller, G. I. (Haldimand-Norfolk L)  
 Newman, B. (Windsor-Walkerville L)  
 Norton, K. (Kingston and the Islands PC)  
 Reid, T. P. (Rainy River L)  
 Stephenson, Hon. B. Labour (York Mills PC)  
 Wildman, B. (Algoma NDP)  
 Williams, J. (Oriole PC)

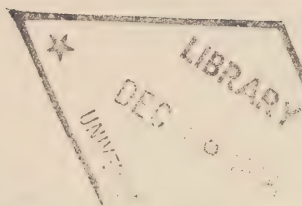
### Ministry officials taking part

**Hess, P., Director Legal Branch**

Johnston, R. D., Deputy Minister

Kinley, J. R., Ministry Co-ordinator, Policy Development

Skolnik, M., Director, Research Branch



Government  
Publications

# Legislature of Ontario Debates

*at  
Legislative assembly*

**SUPPLY COMMITTEE**

**ESTIMATES, MINISTRY OF LABOUR**

OFFICIAL REPORT — DAILY EDITION

First Session of the Thirtieth Legislature

**Friday, November 7, 1975**

Speaker: Honourable Russell Daniel Rowe  
Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975



## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MGS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.



## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

---

FRIDAY, NOVEMBER 7, 1975

The committee met at 11:07 a.m.

#### ESTIMATES, MINISTRY OF LABOUR (continued)

On vote 2101:

**Mr. Chairman:** Mr. Bounsall, I believe, had a few questions on item 3, research.

**Mr. Bounsall:** Yes, I have one point on it. Last night we covered pretty well the list of what was taking place; what was going to be contracted out; what research activities you were engaged in. There may be some you didn't get covered last night which I would like to hear about. I may have missed the releases on it, but the point I have—and I ask this under research because I know you were involved in it—is: How did one solve the common-law spouse situation with respect to the equalization of benefits changes under—was it 41(g)?

One year ago you were about to proceed with it but you hadn't solved the common-law spouse situation. You went back to have a further look at that. What was bedevilling you then was you were trying to get one definition of common-law spouse to cover all the benefits. It was pointed out that you might need to define common-law spouse for each particular benefit. How did you resolve it?

**Hon. B. Stephenson:** I think it was defined and it is defined now. Do you want to give us the definition? Don, have you got it? I've got it somewhere but I haven't got it right in front of me.

It is defined under the Employment Standards Act in one place, I know that, and it's defined in one other place as well. It's the same definition in both, but I can't remember what the definition is.

**Mr. Bounsall:** We can wait until the Human Rights Commission vote.

There were a few other research projects that you are currently engaged in, other than what you mentioned last night. You went into the survey of the construction and the renovations projects, which I'm aware of. What

others do you currently have going? Are there any other major ones being contracted out, or which have recently been contracted out?

**Mr. Skolnik:** No, the initial plans for this fiscal year were to contract out six other projects in addition to the construction labour requirements project. However, as a result of the budget constraints introduced in the July budget, we were unable to initiate any of those during the summer as there was a moratorium on all contracts.

We lost most of the money for the other projects. There is a bit of money left in our budget for the other projects, the problem is that we only received the go-ahead to initiate them last week. We would have to be able to start them now and have them completed by March 31 and I am not sure that is possible. There are one or two which, I think, might be possible and we will be going over that within the next week to see if we can do it.

**Mr. Bounsall:** These are six other projects?

**Mr. Skolnik:** Yes. They are listed on some of the material you have, I believe. There are male-female wage differentials, employment practices of temporary help agencies—

**Mr. Bounsall:** A little slower?

**Mr. Skolnik:** Yes. I would like to go a lot slower because that would enable me to find my list.

**Mr. Bounsall:** Did you say we have this in the materials we got? It is not listed.

**Mr. Skolnik:** It is not? I will give them to you. These were initially intended for this fiscal year. My hope now is that we will be able to carry out one of them this fiscal year and try to do as many of the others as we can next fiscal year.

The first is the effective changes in work arrangements on job satisfaction. The initial approved estimate for that was \$20,000.

The second is employment practices of temporary help agencies. The estimate approved initially for that was \$10,000.

The third is attitudes of supervisors toward bargaining with their employers. The approved estimate for that was \$20,000.

Fourth is male-female wage differentials, which was \$15,000.

Fifth is the project dealing with domestics. It was employment opportunities, qualifications and working conditions of domestics. That project reached the stage of asking a number of consultants for bids and selecting three to ask for detailed proposals. It was at the time when we had already asked the three consultants for detailed proposals that the moratorium on contracts came in. We had to go back to them and tell them to stop and not complete their proposals. One of the things this project is related to very much is our concern about the exemption for domestics under the employment standards legislation.

The sixth, which is also motivated by concerns in the employment standards legislation, is the impact of the student differential on the minimum wage. That was initially budgeted for \$15,000. There has been a lot of concern expressed by young people—by young people I mean those under 18—who do the same work as older students during the summer but get paid less because of the differential in the minimum wage.

On the other hand one of the reasons for having that is so that younger people will have a chance to compete for jobs with older students. Our experience shows that the gap in success in finding jobs in the summer for students under 18 as compared to those over 18 still exists but it has narrowed substantially in the last three years.

On two occasions we have undertaken surveys of summer student employment experience. These surveys were administered through the secondary schools of the province in co-operation with the Ministry of Education and involved approximately 50,000 responses. One was done in 1969 and another was done in 1973.

**Mr. Bounsall:** I am fairly concerned that these research projects, most of which sound very important to the working of the ministry and the information gathered would be of great benefit, were cut out. Do you have any feeling at the moment about which one you might be able to complete by the end of the year? Which ones are you actively picking up to get tendered again and so on? Which two or three of the six? Or are you going through the whole process of—

[11:15]

**Mr. Skolnik:** I would like to go ahead with the one on domestics, because it had gone the furthest in terms of design of the project and involving people from outside in preparing proposals.

The main problem with that is the information is very difficult to get. How do you get reliable information on the working conditions of domestics? You have to either get into homes or talk to the people involved, and a lot of them are afraid to talk to anyone from the government. Incidentally, that's one of the reasons why we wanted to contract it out.

The concern there is that this project I think would certainly take at least six months to do a good job, and I don't see how we could initiate it now and have most of the work completed during this fiscal year. What we might try to do is see if it is possible to start it this year and put something in the estimates for the next fiscal year to ensure that we can complete it. So that would be the one project of highest priority to me.

I think on the male-female wage differential, what we had in mind here was doing a more comprehensive job than has yet been done with existing published or unpublished but collected data. This could be done in a fairly short period of time once the data is obtained. For that reason, I think that would be the next one in priority for trying to do this year.

A couple of the others that are interesting, but that no basic conceptual work has been done on yet, are the attitudes of supervisors toward bargaining with their employers and the employment practices of temporary help agencies. I think for those reasons it would be very difficult to initiate those this year.

On the effect of changes in work arrangements on job satisfaction, we have a very good start. We've done three case studies during the last year of changes in work arrangements. We did a fairly detailed analysis at Philips Electronics and its conversion of the tuner assembly line to work groups and restructuring the jobs, making the jobs more interesting and varied and eliminating a lot of the tedium of the assembly line.

**Mr. B. Newman:** That is sort of a dehumanizing aspect of the work that we hear talked about all the time.

**Mr. Skolnik:** Yes, and what we did the study on was humanizing, the reverse of the process. We did four of those studies. There was one study where it looked as if the change that had been made didn't really humanize the situation, rather that it had the



opposite effect. We didn't think it wise to try and give a lot of publicity to innovations of that sort since that would go against the objectives of this programme, which is to try to make available to employers information about how they can improve their work arrangements.

With this base having been established, we would now be in a very good position to carry out a study that tries to do a rigorous evaluation of the effects of these changes or similar changes on the work satisfaction of employees. This would involve fairly careful observation of the work situation and interviews with employees. Again, I think it is not just something that could be done within the next four months, particularly since a month of that spans the holiday period when it is difficult to do observation in firms or to interview employees.

There is one more I forgot to mention—the impact of the student differential in the minimum wage. There, again, we would have to do interviews with students and employers. Initially we had thought these should be done through the summer when most of the students who are affected by this are employed, so that we can find them. The employers' experience with their summer students would be right there with them during the summer, so that would definitely be the best time to go to them. If we had to go to them in January, I think their recall might be pretty bad, and we would have a hard time getting the students, so that would be an impractical time to do it. For that reason, I wouldn't think we would try to initiate that project this year.

In summary, I would say we would try to initiate two of them this year.

**Mr. Bounsall:** I can see why with the domestics you prefer to have an agency rather than government contacting the persons. Are the others being contracted out because you need to get into all parts of the province? Is that one of the reasons?

For example, according to your notes you have 23 professional research personnel. I assume they are located in Toronto and, therefore, if you gave them the impact of the student rate and wage differentials, they would then have to be touring the province, which the researcher doesn't see as part of his job. Is that the major reason for contracting out?

**Mr. Skolnik:** No, most emphatically not. In most of the research we do we attempt to have provincial coverage. It is definitely not good to look at a particular problem, such as

taxi drivers—you might be familiar with some of the work we've done in looking at the conditions of taxi drivers—frankly, it would definitely be a bad idea to concentrate a study like that on Toronto. For one thing, in that case the conditions of drivers are so different in Toronto than elsewhere in the province it would be misleading.

The reason for contracting this work out has nothing to do with travelling or provincial coverage. It is simply that we have more work that we think is important to do than we have people to do it, and recently there have been complement and staff constraints, and it's been slightly easier to get additional money to contract things out than to get extra staff to do the projects in-house. So it is really a way of supplementing the work that we do in-house.

We try to contract out the projects that, for various reasons, are more efficient or practical to have done on a contracting-out basis than in-house. Those reasons generally don't have anything to do with travelling. Our staff do consider part of their job responsibility to travel to Thunder Bay to talk to taxi drivers, or to travel to Ottawa to look at the conditions of apartment superintendents, or to go wherever problems happen to exist.

**Mr. Bounsall:** Okay. I want to come back to the financing of these contracted-out jobs and the problems you have with the fiscal year. But as you've mentioned the in-house setup, according to the notes, when you subtract the clerical and the library technicians and so on, you've got 23 professional research personnel, backgrounds in economics, business, sociology, statistics and so on.

What projects are they working on? I assume there are some for which you gather material on a continual basis, and some of the staff will be involved in some of the mechanics of that. But what specific projects do they have, of which these are only a supplement? What have they been working on?

**Mr. Skolnik:** The 23 figure was the original estimate; as I mentioned yesterday, where we were originally going to receive nine new positions we received five new positions. The 23 should be 19, and one of those is me, so that would mean 18 people are really involved in carrying out research work, and at least three of those other people have heavy supervisory responsibilities, particularly because of ongoing programmes like analysing the contents of collective agreements and maintaining a very comprehensive data base on job vacancies and unemployment, things



of that sort. One of those people is a professional statistician who advises on the statistical aspects of project work and the computer system's parts of it.

Having said that, now I can turn to your real question, which is what project work are these people doing. I started last night to answer that question, and in about 10 minutes I don't know how many people I bored—I hope I didn't bore most of you—but to give a complete answer to that question would require me to take probably another half hour, which I'd be quite happy to do. We have—

**Mr. Bounsall:** On that point, is there a list of projects that are being done by the staff, the in-house people, that you could put on paper?

**Mr. Skolnik:** We have several lists on paper. This might be a good point to mention the special programme review.

**Mr. Bounsall:** Just before you get into that, I would be happy to see that list. I can't recall seeing a list. It may have come in; it may have crossed my desk and I didn't read it or get it filed in the right place for subsequent reading. I'd be happy to have that list of what is being worked on in this financial year, in the way of projects by your in-house research people, rather than take the time of the estimates.

**Mr. Skolnik:** Yes, I'd be happy to provide that to you. We have had to prepare extensive documentation on that for the special programme review, and we could provide that to you.

**Mr. Bounsall:** Could all the MPPs have a copy? Why not? It's a very important branch of the ministry.

**Hon. B. Stephenson:** I am well aware of that.

**Mr. Bounsall:** I think we should be aware of what is going on and give it a lot of encouragement. There is a lot of data which need to be found out, the results of which need to be circulated.

You work very closely with the information branch, I presume, in getting some of this information out to employers and employee groupings around the province? The materials that you do turn out—for example, the changes in the work arrangements on job satisfaction, that whole humanizing part—I presume or I would think it would be very logical to get the results of the positive side of your study out to as many people as possible. I assume that is taking place. What ar-

rangements do you have so that information gets disseminated?

**Mr. Skolnik:** We disseminate the publications of that type directly from the research branch and have a mailing list of—it varies with the type of material. On that particular type of material I believe the mailing list approaches 800; maybe 1,000. Of that study you referred to on changes in work arrangements we printed 1,200 copies, I believe.

I have with me the most recent one of that type which I mentioned last night. It's a comparative review of innovative working time arrangements which compares experience under compressed schedules, flexible hours and staggered hours, and this would be disseminated in the same way.

**Mr. Bounsall:** On the financing of this we've heard about the moratorium on these contracted out projects. These are fairly important. What arrangements are you trying to make to see that some of these projects can be carried over into the next fiscal year?

Another question on it: In addition, when you make the contracting out, how do you pay it, at the end of the project? Like the \$15,000 for the male-female wage differential—how are these finances actually paid out? It isn't all \$15,000 at the end. Are there various stages at which you make the payout?

**Mr. Skolnik:** If I could answer the first question first, I want to emphasize the moratorium has been lifted.

**Mr. Bounsall:** Yes, I know but you've had difficulties in getting most of these—

**Mr. Skolnik:** We have put the funds for those projects into our preliminary estimate figures that we've made for the next fiscal year. If those are approved we will have funds to carry out those projects during the next fiscal year.

**Mr. Bounsall:** My question is can there not be some arrangement made now, some sort of at least semi-firm commitment, that if you get these projects started and you consume two-thirds of the funding for the figures talked about, that one-third could be picked up in the next fiscal year? It seems to me we are being held up by what could occur next March 31 or in some period slightly prior to that in terms of getting the six started.

**Hon. B. Stephenson:** I shall continue to be optimistic that we shall be able to persuade Treasury Board and others that these are reasonable projects to fund and that the

funding should be forthcoming, and we won't be held up again.

**Mr. Bounsall:** I am worried about being held up until March.

**Hon. B. Stephenson:** About the interim?

**Mr. Bounsall:** Yes, I am worried that you can't get some commitment now. How hard are you pushing to say, "Six were left. We can expend some of the moneys that are in our budget to do it at the moment but they are not going to be completed before the end of the fiscal year"? What you are saying is, "For six projects we can expend perhaps two-thirds of the money on them, but a third of it is going to carry over into the next fiscal year." Can you not proceed on that basis?

**Hon. B. Stephenson:** Yes, that kind of—

**Mr. Kinley:** We have never been cut off on a project once it's got started. The situation resulting from the July 7 budget was really quite exceptional. Even then, nothing that had been started and contracted for was cut off. In other words, perhaps had we been able to move more quickly and get more of those projects into the contractors' hands, they would have got going. But it takes time to design them.

[11:30]

**Mr. Bounsall:** Yes, I understand that and I understand of those six you wouldn't want to start the student rate one at this point. That would be wholly and entirely into next year's budget. I am concerned that the other five get started, particularly in light of what Mr. Kinley has said, as soon as possible with some confidence in that I understand they would be funded in the next year's budget.

What's the holdup on getting the other five started? You've got moneys in this year's budget for it. You may not get it all expended. Now we hear that it's very unlikely that they'll be dropped and that you will not have moneys for their completion, even if those moneys have to come from the next year's fiscal budget. Why can't we start on the five as soon as we can and get these funds used up?

**Hon. B. Stephenson:** I think it's a matter of design and establishing the protocol for the studies rather than being concerned about the funding at this stage of the game.

**Mr. Bounsall:** I see. In terms of the tendering for these, you had to wait until you really felt you had approval before you got

into the design of it with the people who would likely be tendering.

**Mr. Skolnik:** Yes. Also, in addition to the moratorium there was a budget cut as well. We don't presently have in this year's budget enough money to undertake all six of those.

**Hon. B. Stephenson:** All of them.

**Mr. Skolnik:** We can do two of them this year. The two where a substantial amount of the work could be done this year are the two I think we should start on this year, and we can start the design work for the others before the beginning of next year. But probably none of the payments on it would be made until next year.

In response to your question about how we make payments, generally they are made on a basis of submitting progress reports. In some cases, on a large project it is monthly and a monthly invoice. On other types of projects of this type what we probably do is divide the project into three phases and pay for the first phase upon completion of a satisfactory progress report about that phase of the project, then pay for the second phase in the same way, and withhold the third instalment until completion of the project. It varies; it depends upon the type of project and the amount.

**Mr. Angus:** One of the things I think that we've all learned over the last number of years is how the unknown becomes the known. I'm thinking particularly of Elliot Lake and the Johns-Manville plant and things like that. One of the areas where I don't think much research has been done at least within Ontario, and I guess I'm speaking of the broad range of research in terms of health hazards, is the area of grain dust and the overall effects on those people who have been employed in the elevators, particularly in my riding and Mr. Foulds' riding.

I have heard of a study that was done in the State of Minnesota, I think by the University of Minnesota in Duluth. We've been trying to obtain a copy of it. It seems to point to a very remarkable degree of increase in respiratory diseases among those people who have worked in the elevators for a number of years.

I am wondering if your ministry could begin initially to obtain that study, possibly contact the Province of British Columbia to see if they have had anything done, and possibly other countries too which have fairly large grain elevator facilities, and begin to examine and question what grain



dust will do to an individual who has worked there for a number of years. I'd rather see that done now than in five years or 10 years from now when the results of the unknown are very known, as we have seen with Elliot Lake where 10 years ago we weren't sure exactly what was happening.

**Hon. B. Stephenson:** Have you explored, might I ask, Mr. Angus, the occupational health reference library within the Ministry of Health regarding this matter?

**Mr. Angus:** No, I haven't.

**Hon. B. Stephenson:** I think that you may find some of those studies there now, as a matter of fact. There are one or two which were published. I know, about a decade ago with some very preliminary results that were quite inconclusive.

I know that work has been going on in that area. I think that you may find them within that reference library within the Ministry of Health, which is where we intend to keep the occupational health hazard information source under the new interministerial arrangements, because this seems to be the logical place to keep them.

**Mr. Angus:** Given that that might have been 10 years ago, is there any chance of an update to double-check the research done then?

**Hon. B. Stephenson:** What I'm suggesting to you is that the ongoing study reports should be available to you within that library.

**Mr. Angus:** Okay, I will follow it up.

**Mr. B. Newman:** Mr. Chairman, many of the questions that I was going to ask actually were answered in the discussion between Mr. Bounsall and the officials.

I would appreciate, as has been mentioned, a list of the various research projects that are under way and that may have been completed within the last period of time. I do appreciate those that you send us. I find them very stimulating and very interesting—and some of the results that have come from the studies, at times extremely surprising. You get your eyes opened at times.

**Mr. Skolnik:** I hope you find them useful as well.

**Mr. B. Newman:** Yes, I do. I don't keep mine because I have an individual who is extremely interested in it and as a result I provide him with that information.

I wanted to ask of the ministry, through this branch, have studies ever been taken or conducted concerning job opportunities and categories of employment that could be, and maybe even should be, the sole right of people who are physically handicapped, likewise maybe even mentally not up to par? Then we could, at some time or other, say to employers that at this type of a job they either hire someone who is on workmen's compensation, one of your own employees, or save that for a specific category of individual who has difficulty getting jobs through the normal channels.

**Mr. Skolnik:** We have not undertaken a study specifically to identify jobs which could be preserved for handicapped people. However, the information which would be needed to do that does exist. The Canadian Classification and Dictionary of Occupations gives very detailed descriptions of the capabilities required for 20,000 jobs—just about all jobs that you can think of. On the basis of that information I should think that it would be possible, if someone wanted to, to decide which of those jobs could be carried out at 100 per cent efficiency with people of various types of handicaps. That information could be brought together with information from the job vacancy survey, which gives detailed information by region and occupation, with the occupations classified according to the same classification system, about the number of job vacancies and recent trends in job vacancies. So, if there were instructions to do so, it would be quite possible to do that.

**Mr. B. Newman:** Then the amendments to the Human Rights Code, especially the amendment that I have suggested—the elimination of discrimination because of a physical handicap, and maybe I should have included a mental handicap too in that—are practical for the ministry, either through the Human Rights Code or through any other legislation, to say that these jobs should be the sole right of a category of people who are disadvantaged in society?

**Mr. Skolnik:** I wouldn't like to comment on whether that is practical. Perhaps you misinterpreted my first comment. It was merely that the basic type of information necessary could be obtained. Whether this suggestion were practical would depend on quite a number of other factors and that raises much broader questions.

**Mr. B. Newman:** Yes, I can accept that too, but then we could arrive at some percentage of the work force that should be given this opportunity to have employment.



**Hon. B. Stephenson:** You may be disappointed or you may be happy to learn, I don't know which, that in fact the minister's office in this ministry has begun to investigate that area for possible future action.

**Mr. B. Newman:** That is very nice, I am pleased to hear that, and I hope that the study will bear fruit so that we can at least have the disadvantaged given a bit of an advantage.

**Hon. B. Stephenson:** We don't know enough about it yet to really develop any directions for the research branch, I can tell you, but we have begun to collect some material so that we may look at this.

**Mr. B. Newman:** Well, with the staff you have there I think they know what I am heading for. Their hearts are in the right place when it comes to these people.

**Mrs. Campbell:** I wanted to go back to the matter of the projects. I wonder how you set your priorities, in view of the fact that when we were here discussing the Employment Standards Act, the union leaders, as well as the minister of the day, were quite categorically concerned about the request of women for equal pay for work of equal value. It's interesting to me that the male-female discrimination situation should be one of those which were apparently not actively proceeded with.

I would have thought, in the light of all of the commitments of the government, that we would be farther ahead. I would have thought that after you have done this sort of research you're still in the position of your job classifications, which, by this report, seems to me to indicate we may be 100 years away from really meeting the needs of women in this area. I'm glad that we now have a new minister who perhaps is more interested in coming to grips with this particular situation and, hopefully, we'll find it proceeding.

I have two more points on this particular vote. Have you done anything by way of investigation of the job descriptions now being circulated for security guards where they state the actual height and weight provisions—I don't have them with me—in view of the fact they seem to be following police requirements? Yet, by the very nature of the job of a security guard, they cannot have physical contact and they cannot become involved in the way that police do. In fact, their function is: to call the cops at the earliest opportunity. I wonder if you've investigated this and if there is anything actively under way to really look at this kind of situation?

The third thing that I would like to mention is that I perhaps misunderstood an answer to a question last night, directed to the question of minimum wage and the analysis of minimum wage legislation vis-à-vis welfare levels. I don't know whether I misunderstood it, but is this ministry aware of the fact that, for example, if a mother has six children and seeks to get into the labour force and that portion of the labour force is something in hotel occupations—in one case that I have, that mother is getting off welfare and her working income is actually \$100 a month less than it would be if she remained on welfare. I wonder if, perhaps, there might be some way that this ministry, together with the Ministry of Community and Social Services, might look at the incentives that they're trying to bring out, and whether you're being counter-productive in this ministry? I wonder if you've looked at that kind of a situation?

**Hon. B. Stephenson:** In answer to your first question, may I say that, in addition to the study proposed and about to be proceeded with within the research branch, there is a special committee—

**Mrs. Campbell:** It's a little late in this International Women's Year to proceed with it.

**Hon. B. Stephenson:** —established, which I think and I hope is going to report within the next week or so, on the equal pay for work of equal value problem. We are looking forward with great interest to that report to see whether it's going to be of more help than perhaps it might be, or whether it's going to be a tremendous help to us in proceeding in that direction.

[11:45]

**Mrs. Campbell:** Could we receive from you sometime the membership of that committee? I don't mean now, if you send it along to us, I'd appreciate seeing it.

**Hon. B. Stephenson:** Mrs. McLellan will be here this morning, and I'm sure that she has the membership all stashed in her head and could probably give it to you immediately.

**Mr. Bounsall:** We'll get the list. Are they all from the women's bureau, or is it a committee drawn from across Ontario?

**Hon. B. Stephenson:** Oh no, it's a very broad committee.

Interjections.

**Hon. B. Stephenson:** That was the wrong thing to say. I'm sorry. It's a wide-ranging committee.

**Mrs. Campbell:** Male and female, I take it.

**Hon. B. Stephenson:** I'm not sure there's a male on it; is there?

**Mr. Skolnik:** Yes.

**Hon. B. Stephenson:** How many? One?

**Mr. Skolnik:** At least two.

**Hon. B. Stephenson:** We have at least two token males.

**Mrs. Campbell:** I hope that neither of them came from those union leaders who were so critical of women when we dealt with the Employment Standards Act.

**Hon. B. Stephenson:** I am assured that neither are on it.

**Mrs. Campbell:** Discrimination is something I abhor.

**Hon. B. Stephenson:** And your final question having to do with apparent discrepancy in funding for working women with large families is being investigated by Community and Social Services right at the moment on an experimental basis. They're looking at different methods of combining support plus income in order to—

**Mrs. Campbell:** Yes, but this still puts women into the position they will be in Metro. Hopefully, Metro will be supplementing their wages as they are for any other working poor. But it does seem to me that you should be looking, with respect, Madam Minister, to give a little more dignity to these women that they are not asked to be supplemented by welfare, but that they earn a living wage.

**Hon. B. Stephenson:** We shall be looking at this specific study.

**Mrs. Campbell:** And the security guards?

**Hon. B. Stephenson:** There is no work under way on that, I am sorry.

**Mrs. Campbell:** Could you at least take a look at what's going on? I must say that I've raised this with the federal government, since much of the advertising, naturally, is at Manpower. I can see no reason why these people should be treated as police officers. I would like you to at least look at it.

**Mr. R. M. Johnston:** How would settlements above the federal government's guidelines be taken to the Anti-Inflation Board?

**Hon. B. Stephenson:** I suppose it really comes under main office in a way, because we are responsible for informing both sides of the bargaining table of the information that we have regarding whatever procedures are to be followed. It has been our direction thus far that all negotiations should carry on precisely as though there were no other problems intervening, except that individuals on either side of the table must know that if the monetary settlement is above the federal guidelines, that it will be required to be examined by the Anti-Inflation Board.

We have also been informing those parties—as we have been informed—that referrals to the Anti-Inflation Board may be made by either one party or the other, or both, and we have been encouraging them to consider joint application to the Anti-Inflation Board after a settlement is reached. So the Anti-Inflation Board will be fully informed about whatever traditional relationships there might be, or historical relationships, or any other factors which might merit special consideration.

**Mr. R. M. Johnston:** I have one other question. What are the rates of change of wages under bargaining?

**Hon. B. Stephenson:** The rates of change?

**Mr. Skolnik:** I don't really think this comes under item 3, research.

**Hon. B. Stephenson:** Mr. Skolnik has just given me the figure. In the third quarter of this year there have been 12 agreements involving 200 workers or more, which is the group that has been examined. We haven't looked at agreements below 200.

**Mr. Skolnik:** Nothing at all.

**Mr. Mancini:** I would like to go back to the point about the skilled trades, which was raised but I never had a chance to ask a question about it. We have so many vocational schools which house between 400 and 600 students—I think the one in my area has nearly 600 students—who go to these educational institutes and who usually graduate and are usually no better off when they graduate than when they started. Is there any thinking in the ministry of having these people learn skilled trades—if they are interested—when they are at these vocational schools, some for two or three years, so they are prepared for the work force and we don't have to import our skilled labourers?

**Hon. B. Stephenson:** Are you suggesting the inclusion of a journeyman apprenticeship in the secondary school educational experience?

**Mr. Mancini:** Yes, especially the vocational schools because they have no future actually once they get out of there. They have nothing to strive for. I think the reason these vocational schools were built in the first place was to give these students opportunities they did not have in regular schools, like becoming school president or valedictorian of the school. I think we should carry this a little bit further and train these people for jobs once they get out.

Is there any thinking in the ministry along that line? They are right there and the shops are there; welding equipment is there; it's all there.

**Hon. B. Stephenson:** I would have to remind you, of course, that at the moment the responsibility for this entire area of education rests within the Ministry of Colleges and Universities. I'm not sure what its direction of thought has been in the last several years since it has had responsibility for this. I asked specifically if he was talking about the inclusion of journeymen apprenticeship in the secondary school educational programme. If that is what he is looking at, it will involve Colleges and Universities at the moment, I say with some reluctance.

**Mr. Chairman:** I believe this has been fairly well covered under the main office vote. We are on item 3 now.

**Mr. Mancini:** It is still research, Mr. Chairman; research into this.

**Mr. Haggerty:** He is right on, Mr. Chairman. I want to make reference to the minister's safety conference of 1974. Under the summary of conference recommendations—there were 65—at the top of the list is educational and training programmes: (A) There should be apprenticeship training for all trades and safety education should be included.

**Mr. Mancini:** Thank you, Mr. Haggerty.

**Mr. Chairman:** Item 3 agreed to. On item 4:

**Mr. Bounsall:** One general question to start with: What can we see as the future of the Labour Safety Council? Is it going to continue? In what form? Will its role be changed at all now that we have this advisory council on occupational health? The two are rather tied together. You can separate them but only with some difficulty, I think—occupational health, environmental health and safety. We have this advisory council on occupational health which was

announced yesterday. Do you see the Labour Safety Council continuing? If it does, is it going to be in any changed form at all?

**Hon. B. Stephenson:** I see it continuing. Mr. Jones was at a meeting—I was there for a short time as well—of the Labour Safety Council yesterday. Do you see any specific changes in direction or do you have any fears for survival of this council?

Within the ministry, I can tell you, we don't have any fears for survival at the moment. It has been primarily occupied with accidental injuries and safety measures within the industrial workplace or within the construction workplace. That is a specific role which we see the Labour Safety Council being involved in.

The occupational health hazard advisory committee is going to have enough on its plate, I think, for a very long period of time looking at the potential hazards of at least 72 known chemical compounds and their potential for disturbance to human health, not to want to expand its field of activity into the accident area, I would think right at the moment.

**Mr. Bounsall:** But there is some degree of overlap.

**Hon. B. Stephenson:** There will be correlation, there is no doubt about that. There isn't at the moment any cross-appointment but this is one of the things—

**Mr. D. F. Jones:** It's planned.

**Hon. B. Stephenson:** —that is planned for the two advisory councils. There is not a cross-appointment at the moment.

**Mr. Bounsall:** Yes, this has been a topic which, I understand, has been of interest to the Labour Safety Council. In fact, didn't they recently recommend the adoption of the US standards of the American Council of Hygienists which deals directly with the levels set for toxic chemical substances? That's directly in the area of the occupational health hazard safety committee.

**Mr. D. F. Jones:** You're ahead of most people on that, sir, since that was just at a meeting of the Labour Safety Council yesterday afternoon and the minutes haven't come out yet.

**Mr. Bounsall:** One tries.

**Mrs. Campbell:** There are leaks, obviously.

**Mr. D. F. Jones:** You deserve a lot of credit for being that up-to-date. This raises the



question of the interaction between the two councils and the discussion of that motion revolved around the point as to how far should the Labour Safety Council go into this field. The council seemed to believe that we are still the adviser to the Minister of Labour on all aspects of that minister's occupational safety and health programme. Since the delivery of the programme comes through the legislation of the ministry we still have a role in advising our minister accordingly. However, in the detailed technical aspects of occupational health, our council is not expert and, therefore, it was suggested that even though we pass such a motion that our minister would no doubt wish to refer this to the other council for its advice as experts. You're still ahead of us.

**Mr. Bounsall:** This is still an advisory council, right, so they're not involved in the implementation of it?

**Mr. D. F. Jones:** Right.

**Mr. Bounsall:** You've got two groups advising. You've got a recommendation which will go to the occupational health hazard safety committee, is it?

**Hon. B. Stephenson:** No, that's much too long. It's the occupational health advisory committee.

**Mr. Bounsall:** That's one and the same body. They're not an implementation body either?

**Hon. B. Stephenson:** No.

**Mr. Haggerty:** It was just appointed by the minister the other day.

**Hon. B. Stephenson:** Yesterday?

**Mr. Haggerty:** The day before; Tuesday of this week he introduced it.

**Mr. Bounsall:** I'm looking at its role.

**Mr. D. F. Jones:** I would like to suggest that we consider them as something which will be very valuable to the Labour Safety Council in our role, since we are not really expert on health matters and would have to refer it to someone for advice anyway on the question of health. Now that that is set up, we look to them as the body that, in effect, will advise the Labour Safety Council as well as the appropriate ministries.

**Mr. Bounsall:** I gather then there is an American hygienists association that has adopted certain standards. There must be a basis for that adoption. One doesn't have to

go through the whole scrutiny in Ontario when a lot of that work is being done elsewhere. You do have standards for chemical toxicity already advised upon and set forth by the American hygienists society. I'm not so sure that you need to be very delayed waiting for the expert advice which might come forth from the advisory council on occupational health.

[12:00]

**Mr. D. F. Jones:** One thing which I should mention which came out in one of the speeches at the recent conference on heavy metals in the environment is the synergistic effect of different chemicals. Some people fear, rightly or wrongly, that if we adopt specific threshold limit values that certain disreputable people will then utilize this, and say that once they've complied with that they are complying with the law. However, with the combination of chemicals that are present there might be a worse problem to the worker. In other words, under the current setup there is provision where the guidelines can be enforced, and there's one school of thought which believes that this is the best way to do it. There's another school of thought which believes that we should set specific limits. There are problems either way, I want to mention to you, but you are correct in stating that the Labour Safety Council will be recommending to our minister that the current TLVs and ACGIH be adopted.

**Mr. Bounsall:** Yes, but you've got a flavour to what you've said here that indicates that where you have a plant in which there's a combination of these toxic substances you might delay enforcement of the guidelines, or enforcement of standards, because it's a worse problem.

**Hon. B. Stephenson:** No, no.

**Mr. D. F. Jones:** No, that isn't what I said.

**Mr. Bounsall:** One understands it as a combination that's worse than any individual one.

**Hon. B. Stephenson:** It may be.

**Mr. Bounsall:** We're not likely to have one toxic substance cancelling out the other.

**Mr. D. F. Jones:** What I am attempting to say here, sir, is that in adopting the current threshold limit values, if it is done, then we must be very careful that in so doing we don't create a situation where some person will utilize the wording of the law to work against what we want to do in the broader context of the interaction between the various

chemicals. It becomes a question of wording of the law.

**Mr. Bounsall:** Right. You could word it to cover the second case as well.

**Mr. D. F. Jones:** Yes, I hope so.

**Hon. B. Stephenson:** Can I ask you a question, Mr. Bounsall? Are you, in fact, implying or suggesting or considering the fact that these two advisory councils may in some way impede the advance of legislation and enforcement of such legislation in the area of occupational health?

**Mr. Bounsall:** Yes, simply because there are now two committees recommending, one is relying on the other for some information, one's recommendations will go to the other and so on. We've got a potential for it being delayed, not with any malice aforethought perhaps, just because of the mechanism that there are now two areas.

**Hon. B. Stephenson:** I would feel very strongly that the attitude and the intent of all of the people concerned with the development of the other committee is such that there will be no delay, in fact it will improve the rate at which the levels are decided upon and enforced.

**Mr. Bounsall:** We've got a potential for a delay. We'll keep looking at the situation and hope what you say is right.

**Hon. B. Stephenson:** As a matter of fact, I think perhaps we have a potential for improvement, because we have two sources of information which can be utilized and two sources of recommendations in this area, where before we had only one. A wider spectrum of people will be involved in looking at the potential hazards within industry.

**Mrs. Campbell:** As long as they don't operate like two lawyers; you get 12 different opinions.

**Hon. B. Stephenson:** You will be happy to know that we have managed to exclude lawyers from this.

**Mr. Norton:** We sure do take a beating around here.

**Mrs. Campbell:** You really do.

**Mr. Mancini:** Are you a lawyer?

**Mrs. Campbell:** You're not even to speak on the subject.

**Mr. Haggerty:** I would like to ask the minister, how many of these recommendations do

you often accept at the Ministry of Labour on these discussions that are presented at minister's safety conferences that have taken place over the past few years? How many of these recommendations does the ministry often accept? There are 65 of them listed here, and there are some very interesting ones: "There should be more special training for workers in rehabilitation process in order to make them feel they are making a contribution to society." I think I hit this point yesterday. "The wording of the Mines Act relating to construction on mine sites should be altered to tie in more closely with the wording of the Construction Safety Act."

I understand there are about five different ministries that are involved in safety throughout the Province of Ontario, when it relates to safety regulations. You've got the Ministry of Consumer and Commercial Relations, the Ministry of Labour, the Ministry of Health and a couple of other ones.

**Hon. B. Stephenson:** Transportation and Communications.

**Mr. Haggerty:** There is a list of about five of them there. One of the recommendations of this study is that these should be included under one ministry to enforce safety regulations throughout the Province of Ontario. I can tell you the difficulties that this committee here, particularly the opposition members, presented to the Minister of Natural Resources (Mr. Bernier) last year certainly indicated the lack of safety in mines. There wasn't proper supervision being done of the mining inspection in the Province of Ontario. You can see that's related to the Ham commission study being carried on at the present time.

There are other ones here I thought might be interesting to look at. There is a need for legislation regarding the labelling of hazardous materials in plants. I have been interested in this particular field over a number of years during which the Liberal Party has pushed for a new occupational health bill, which is required in the Province of Ontario, with the many different toxic agents that a worker has to come in contact with day after day. I've also got a private bill on the introduction of safety committees made up of management and employees in equal number.

**Hon. B. Stephenson:** That is certainly being implemented by the ministry. It is not mandatory, but it is being encouraged actively and is a very successful programme.

**Mr. Haggerty:** I can think of one particular group, the Ontario Mining Association, of



which Mr. Norman Wadge is president or head, that has indicated strong support for safety committees of employees and management. The construction safety industry has endorsed it, but the Minister of Labour hasn't come through with anything endorsing this type of legislation.

If you seriously want to reduce the number of accidents in industry, you are going to have the involvement—

**Hon. B. Stephenson:** You are wrong. The ministry most certainly does endorse the development of safety committees within every single industry and each individual plant, made up of management and employees.

**Mr. Haggerty:** How many times does an inspector come into a plant and go to any of these safety committees? Tell me that point? I have the answer for it—very seldom. The bill that I have there says that they will be of equal number. When you have one of your inspectors move into a particular plant, you will go directly to this committee. You will have the input of labour there to say what's wrong with the safety in a particular industry. You won't go to the management and say, "We are in here to make an inspection."

I'll tell you from my experience of working in industry that often you could know when an inspector was coming into a plant because everything would be cleaned up. There would be a great two days of housecleaning in that plant. Probably the only time you would see it the cleanest it could be was when inspectors came in. That's the only time it was ever clean. They'd come and go directly to the management and never consult a working man in that plant.

Sure, unions have safety committees, but I'll tell you that not too many of them have direct contact with the Ministry of Labour, because everything seems to be related to management. I think through this particular bill that I have where you have members of equal number from management and employees, you'll have the input of labour. I can tell you that you are going to see a reduction in the number of accidents in the Province of Ontario. You have to have the involvement of the worker there. He has to go back and relate it to fellow employees in that industry telling them that these are the things that must be done.

**Hon. B. Stephenson:** If I may, I might say that this might be more appropriately discussed under a later vote.

**Mr. Haggerty:** I am relating it to the headlines that were in this year's report.

**Hon. B. Stephenson:** May I tell you that since becoming minister in this ministry I have had at least two letters complaining of exactly the opposite direction, in which management complains that they weren't contacted when the safety inspector came in and that in fact only the employees toured the plant with the inspector.

**Mr. Haggerty:** That is very unusual.

**Hon. B. Stephenson:** I've had no complaints from the opposite side—just from the management side, saying they weren't getting their input into this.

**Mr. Martel:** They are not just used to it, and it's about time.

**Mr. Bounsall:** You are right.

**Mr. Martel:** It is something new for them.

**Mr. Bounsall:** What's wrong with your safety inspection officers that they don't ensure that both sides are involved in every plant?

**Hon. B. Stephenson:** The direction from the ministry has been specifically that both management and the employees will be represented on each tour of inspection.

**Mr. Martel:** Why don't you make the committees mandatory, as they are in Saskatchewan? Health and safety committees should be mandatory in any plant with more than 10 people.

**Hon. B. Stephenson:** The Labour Safety Council, I am informed, has a committee studying that proposal at the moment.

**Mr. Haggerty:** These studies have been going on for years and nothing has been done.

**Hon. B. Stephenson:** I don't know whether they have or not.

**Mr. Haggerty:** Here is another recommendation: "A safety enforcement agency should come under a central administrative body and one safety Act." That's very important. I wonder how many times the member for Sudbury and I have been hammering away at past ministers to do something in this line.

Here's another recommendation: "The occupational health branch of the Ministry of Health should have a larger staff and budget." Every year, though, I think we've seen it being reduced.

**Mr. Martel:** There's \$2 million for occupational health for the whole of the province.



**Mr. Haggerty:** That is a broad field that really needs expert staff. Dr. Mastromatteo has done an excellent job—

**Hon. B. Stephenson:** I will tell you again that in fact this is proceeding at the moment, and I'm sure that you'll be pleased when you hear what is happening. I can't report on it in its entirety at the moment, but the accord has been reached—

**Mr. Haggerty:** We'll have to look at it when we come to that particular vote to find out just how much you've increased it this year and to see what action we're going to get.

**Hon. B. Stephenson:** But it's not specifically within this ministry.

**Mr. Haggerty:** That's right. It's in the Ministry of Health, and those estimates will be coming up soon.

**Mrs. Campbell:** It's awful when you have to dig all over the place to find it.

**Mr. Haggerty:** That's right. As I say, this is one of the recommendations that have been recommended on a number of occasions and yet the government does not seem to move in that direction.

Mr. Bounsall has mentioned that you now have two safety committees. I hope you're moving in the direction of reducing the number of accidents in the Province of Ontario, which has not happened in the past; in fact, it has been on the increase. As I said, there has to be more direction here in terms of involvement of the employees themselves in it. You can't sit down in the ivory towers in Toronto, have a safety convention meeting and not have input from employees there.

**Mr. Chairman:** Shall item 4 carry?

**Mr. Martel:** Mr. Chairman, I want to go back to the point I raised with the minister and she indicated that in fact it was being studied. How long do we study these things? I sat in on Bill 2—

**Hon. B. Stephenson:** What are you suggesting that I said was being studied?

**Mr. Martel:** Safety committees becoming mandatory in plants.

**Hon. B. Stephenson:** Oh.

**Mr. Martel:** I recall sitting here in 1970, when we reviewed the Mining Act, and I moved then that there should be health and safety committees by law, but this government steadfastly refused, saying that the sole

prerogative for safety rested with management. That's still the hangup, I suggest.

**Hon. B. Stephenson:** This is certainly not the philosophy of the Ministry of Labour and, to my knowledge, has not been for at least the past half decade. Whether it's longer than that or not, I don't know.

**Mr. Martel:** That being the case, I would suggest you're remiss in not having introduced legislation which made it compulsory that there should be health and safety committees, because most of the health and safety committees in this province are there because they fought like hell with the company to get the right to some representation and some say in the way those companies will operate. Contrary to what the government said, we've finally just got health and safety committees at Inco because the union was strong enough to negotiate for them in the collective bargaining process. I don't believe health and safety should be in the collective bargaining process, although it could be drawn to the attention of the negotiators.

Surely if this government was sincere about health and safety, it would bring in a bill tomorrow. You yourself said you've believed it for 50 years, but for 50 years most of the plants have not had health and safety committees. I defy anyone to tell me that most of the plants have health and safety committees in this province.

**Mr. Haggerty:** It's an awful thing to have to go to bargaining to get it.

**Mr. Martel:** I've seen all the games played with health and safety where management knew when government was coming. You're not kidding the troops. I've got the documentation over the years which verifies that that's a lot of nonsense; in fact, it's pure gobbledegook.

**Hon. B. Stephenson:** May I tell you, in answer to your question—do you want the answer to your question?

**Mr. Martel:** Yes, I want an answer to the question.

**Hon. B. Stephenson:** Oh, that's nice. In answer to your question, the committee to study the mandatory development of safety committees within plants was appointed within the Labour Safety Council in July of this year. They will report, I would gather, sometime in the near future.

**Mr. Martel:** Boy, that's decisive.

[12:15]

**Mr. D. F. Jones:** Part of the work of that committee has been held up due to the re-organization and getting people together to meet. There has been one meeting of the committee. There is a further meeting expected early in December. One of the things which was agreed by both labour and management on the Labour Safety Council—in fact encouraged by labour—is that this committee visit Saskatchewan and some other western provinces to get first-hand knowledge of what they are doing out there before they come back with their report to the council.

**Mr. Martel:** I will be—

**Mr. D. F. Jones:** That visit to the western provinces is anticipated in January, 1976.

**Mr. Martel:** I will introduce the Saskatchewan legislation next week again for the third time. It has been on the order paper in Ontario in this last session—prior to the election being called—and in the session previous to that.

It is obvious that the Ministry of Labour has not bothered to look at it then because the exact legislation which exists in Saskatchewan has been introduced here twice as a private member's bill. It has been submitted to the Ministry of Natural Resources at the request of the deputy minister, Dr.—

**Hon. B. Stephenson:** Reynolds.

**Mr. Martel:** Reynolds, Keith Reynolds asked for it and I sent it to him as well. We now have a committee established in July, 1975, to study it. That is ridiculous and you yourself just indicated that you have been concerned about it for 50 years as a government. If it takes as long to get the bill as it has taken you people to get to the stage of establishing a committee to study it, none of us is going to be around when the bill is introduced. We'll not live that long.

**Hon. B. Stephenson:** If you had been listening carefully—

**Mr. Martel:** I was listening carefully.

**Hon. B. Stephenson:** —you would have realized that I said the last half-decade about which—

**Mr. Martel:** Last half-decade—pardon me.

**Hon. B. Stephenson:** Last half-decade, not half-century.

**Mr. Martel:** Half-decade? If it takes another five years to get the legislation on the book, if it takes five more years, some of us won't be around. Some of us will.

**Hon. B. Stephenson:** Is that a promise?

**Mr. Martel:** I don't know who you are going to run in the great riding of Sudbury East who could do the job.

**Mr. Mancini:** We will run a dog.

**Mr. Martel:** We ran against a couple of dogs last time and they got dog votes.

Might I ask the minister one final question? In the spirit of ecumenism which exists between the various ministries now, has the minister had an opportunity in which hours are being calculated for the uranium mines in Elliot Lake?

**Hon. Mr. Stephenson:** No, I have not had an opportunity to do that.

**Mr. Martel:** I thought, seeing you were sitting next to him this morning, he might just lean over and whisper it in your ear.

**Mr. Chairman:** Items 4, 5 and 6 agreed to. On item 7.

**Mr. Haggerty:** Perhaps I can get it into this vote. I am concerned about the issuing of the workmen's compensation cheques. It does come through your ministry somehow. Don't rule me out of order because this is really a point of order.

The point I want to raise is they are sending out the cheques now to the disabled workers in the Province of Ontario but what really bothers me most is that some persons have to travel 35, 40 and even 60 miles to pick up a cheque. Surely there are other government offices these cheques could be dispatched to? Let's take the driver's licence which they pick up. People from my area—Port Colborne, Fort Erie and Wainfleet—have to drive to St. Catharines, but from Wainfleet they have to go to Brantford, Ont., to pick up that cheque. How ridiculous can this get when you have some other government offices—even the liquor stores can hand them out, for Pete's sake.

**Mrs. Campbell:** That would not be a good idea.

**Mr. Haggerty:** No, but what I am suggesting is there are some government buildings which could provide the service to people in the time of this mail strike.

**Hon. B. Stephenson:** As a matter of fact we have raised this problem with the Workmen's Compensation Board. In those areas in which we have known there were difficulties—that is, there were reasonably large distances people had to travel to pick up

their cheques—a sub-courier service has been developed to governmental offices in places closer to the workmen.

**Mr. Haggerty:** I have even offered my office to pick them up and take them back to the riding, seeing I am that close to them but I haven't got too good results out of that either. Perhaps they figure I am another Lorne Henderson.

**Hon. B. Stephenson:** I know that the Compensation Board has been concerned about this. It obviously did not realize the extent of the problem when it began to try to circumvent the present postal strike. But they have become aware, and in many areas I know they have developed a sub-courier service for delivery of cheques closer to the recipients than had been originally planned.

**Mr. Haggerty:** Will you see that that is conveyed to the chairman of the Workmen's Compensation Board?

**Hon. B. Stephenson:** Yes, we've already done it on several occasions.

**Mr. Haggerty:** Good, because I think it is just asking too much.

**Mr. Chairman:** You will get the opportunity to bring that up again on Nov. 26.

**Hon. B. Stephenson:** Hopefully, the postal strike will be over by that time.

**Mr. Haggerty:** Maybe it will not be. The other matter is, dealing with information, does the ministry still come out with the pamphlets in different languages for different persons employed in industry? At one time they used to have a little pamphlet out that related to labour, and it outlined some of the rights of labourers in the Province of Ontario, maybe in Italian, maybe in Portuguese. Do you still do that? I haven't seen any of those recently.

**Hon. B. Stephenson:** They are published in five languages, as a matter of fact, and we also use the ethnic press in various languages to provide this information.

**Mr. Haggerty:** But it is available?

**Hon. B. Stephenson:** Yes.

**Mrs. Campbell:** Why is it just in five languages?

**Hon. B. Stephenson:** Probably because they are the groups which constitute the largest ethnic groups within the labour force in the province. It is in English, French, Italian, Portuguese, Greek and—

**Mrs. Campbell:** That's five.

**Hon. B. Stephenson:** Yes, that's five. But we have people available who could translate it into 22, including Urdu, if you like it.

**Mr. Mancini:** Including what?

**Hon. B. Stephenson:** Urdu.

**Mr. Bounsall:** But there are no plans for that?

**Hon. B. Stephenson:** Not at the moment. We don't really have that many workers who speak Urdu primarily.

**Mrs. Campbell:** I was thinking of Hungarian and Chinese basically, because they are in the labour force, though perhaps not in such numbers.

**Hon. B. Stephenson:** That's right.

**Mr. Angus:** I think also, up in the Thunder Bay area where we have the largest Finnish population outside of Finland, there may be some—

**Hon. B. Stephenson:** Advantage?

**Mr. Angus:** —necessity or advantage of providing that kind of service in that geographical area.

**Hon. B. Stephenson:** Thank you for that suggestion.

**Mr. Angus:** None of them are in my riding.

**Mr. Chairman:** Shall item 7 carry? Carried. Item 8, systems and data processing. Carried.

Vote 2101 agreed to.

On vote 2102:

**Mr. Chairman:** Vote 2102, occupational safety programme; item 1, construction safety.

**Mr. Martel:** Thank you, Mr. Chairman. Coming back to last night, does it make sense to have the plant at Port Colborne under the Ministry of Natural Resources? Or parts of the Algoma Steel plant at Sault Ste. Marie under the Ministry of Natural Resources? Further, does it make sense to have your people who have the expertise in construction safety not involved in guaranteeing construction safety in mining developments?

**Hon. B. Stephenson:** The ministry has recognized that anomaly and is at the present time discussing these specific areas with the Ministry of Natural Resources, with a view of accommodating a more rational form of inspection and control.

**Mr. Martel:** I've been after this for eight years now.



**Hon. B. Stephenson:** I haven't been around eight years.

**Mr. Martel:** Yes, but what happens is each new minister tells me the same thing: "We're looking at it." Fern Guindon—who was, as you know, not the last Minister of Labour, but was some time prior to that—was looking at it and he agreed that if we were going to have a uniform application of the Construction Safety Act across the province he had to get into. Let me give you an example: I was in Sault Ste. Marie recently and they were doing some work on one of the large furnaces. Under construction safety, I believe the highest you can have a ladder, one single ladder, is something in the neighbourhood of eight feet or 10 ft. Here they were at the top of this ladder, and because the matter comes under the Ministry of Natural Resources, the ladder stretched out for some 30 ft on top of a set of planking. It would have never happened under the Construction Safety Act of Ontario as administered by the Ministry of Labour. Here were these men up on top of this scaffolding, on top of a ladder, one stretched out some 30 ft, doing major repairs. The Ministry of Natural Resources people are always blind to these things; they never see anything happening. It would have never happened under the Construction Safety Act, but that continues to happen under the Ministry of Natural Resources, day in and day out.

**Hon. B. Stephenson:** Well, Mr. Martel, I think we should congratulate you on removing the scales from the eyes of those in the Ministry of Natural Resources, because they are obviously beginning to see the light. An active programme of co-operation is developing in this area and I think we can promise you some of the action you have been asking for within this next year.

**Mr. Martel:** I am not going to have anything left to complain about pretty soon, the way things are going.

**Hon. B. Stephenson:** That is what we are aiming for.

**Mr. Angus:** That would please all of us.

**Mr. Martel:** It would please me, too.

In this spirit of co-operation, are the inspectors for the construction safety branch going into mining developments where there is presently some type of construction under way on the site?

**Hon. B. Stephenson:** Mining developments? Are they?

**Mr. Cleverdon:** Not yet.

**Hon. B. Stephenson:** I don't think that is happening as yet.

**Mr. Martel:** Hopefully that can be altered, in places like Port Colborne and at Algoma Steel, and so on.

**Hon. B. Stephenson:** That is the direction of the intent.

**Mr. Martel:** All right, fine. I will just leave it there for the time being.

**Mr. Mancini:** I would like to direct a couple of things to the minister. I think by now she would have read my letter of Oct. 27. I would just like to say that I wrote it, and a press release, on behalf of the Windsor Construction Association and the Heavy Construction Association of Windsor.

**Hon. B. Stephenson:** Regarding utilities?

**Mr. Mancini:** Yes, regarding the utilities.

**Hon. B. Stephenson:** Yes, I have it.

**Mr. Mancini:** For the benefit of other people here, the Windsor Construction Association wants to amend section 38(1) of the Construction Safety Act. Their purpose in doing this is to make the public utilities responsible for things that the owners of construction companies cannot be responsible for in the protection of the workers. I would like a report or any statement that you have on this right now.

**Hon. B. Stephenson:** I think we have received that.

**Mr. Cleverdon:** Yes, I have.

**Hon. B. Stephenson:** Okay. It is within Mr. Cleverdon's jurisdiction.

**Mr. Mancini:** Can I ask Mr. Cleverdon if it is true that he was given a report and also a letter from this construction association at least one year ago?

**Hon. B. Stephenson:** Did you?

**Mr. Cleverdon:** The background is longer than that, actually; about 18 months ago it first came to my attention.

**Mr. Mancini:** Okay, one year—18 months. I didn't want to get into months.

**Mr. Cleverdon:** Right. What happened is this. We pretty well agreed that the Labour Safety Council was the proper vehicle to explore any recommendations for amendments to our legislation. It was turned over to them,

and from them back to what is called the Provincial Labour Management Safety Committee. It is sponsored by the Construction Safety Associations of Ontario and the Provincial Building and Construction Trades Council. In turn, it is now looking at the whole field of regulations in construction safety.

**Mr. Mancini:** Excuse me for interrupting, but that seems like a long, drawn-out process for just one amendment to the Act. I don't believe that these people are asking you to change the Act from top to bottom. I have looked at the book and it is fairly thick, and I am sure that is not what they asked you. I think the only thing they want you to do is to amend one section of the Act to protect workers, not from being injured, but from being killed.

These construction companies are having to carry the burden of paying for the families of the workers and are also being harrassed.

Now that we do have a new minister, I was wondering if quick action can be taken to change this section. In 1974, 33 per cent of all the fatalities in the construction industry were due to electrocutions—

**Hon. B. Stephenson:** Yes, I am aware—

**Mr. Mancini:** —and that is fully the responsibility of the public utilities.

**Hon. B. Stephenson:** Right, and unfortunately the legislation which the Ministry of Labour is directly responsible for does not include the Public Utilities Act, which also is going to have to be changed in order to accommodate this recommendation.

**Mr. Mancini:** Surely, as a humanitarian, as you have proved in the medical field—

**Hon. B. Stephenson:** Oh, I agree wholeheartedly. I have had your letter and have been aware of the problem now for seven days. I can promise you that we will make whatever recommendation is possible to make in order to have the workers protected.  
[12:30]

**Mr. Mancini:** Would you expect a change of legislation before the new year?

**Hon. B. Stephenson:** I can try very hard. I can't tell you whether it will be changed as far as the public utilities are concerned before the new year. I have no idea how long it will take them to do this.

**Mr. Mancini:** I just want to make it clear that it's very important because it is for the protection of the lives of people.

**Hon. B. Stephenson:** I am aware of that. I wonder if Mr. Hushion might expand just a little bit on the area of inspection under our new direction in the reorganization of the ministry and the new health advisory committee accord.

**Mr. Bounsall:** I would like to hear that.

**Mr. Hushion:** This really cuts across the two votes. I don't know whether you want to wait until we deal with the other vote and then we can talk generally about some of the changes that we are contemplating or whether you want to deal with it now. It doesn't matter.

**Mr. Bounsall:** I prefer we do it now.

**Mr. Chairman:** If it is the wish of the committee, go ahead.

**Mr. Hushion:** Let's talk first about the changes that are related to reorganization as they affect occupational safety. As you know and I know from listening to some of the comments that have come out of this committee in the past, you have been concerned about differences in philosophy and differences in approach through the roles played by both branches. In looking at our performance in the past, we have realized that we want to strengthen some of the good things, some of the areas where we feel we have been effective but where we feel we can get more payoff from our activities, particularly in the educational area, and we want to strengthen our ability to communicate to both labour and management.

One of the problems in the past has been that we haven't really exploited or taken full advantage of really good explanatory material with respect to the legislation. Our sole tool to communicate the legislation has largely been the field inspection. What we are doing now is really taking three steps. One is to strengthen our ability to develop good sound operating plans with respect to the legislation, recognizing that over the years the legislation is becoming increasingly complex and recognizing as well the fact that there has been a tendency occasionally to develop operating policies on an ad hoc basis with respect to legislation.

The staff unit that is going to be relating to occupational safety is going to be working now in conjunction with John Kinley, our policy co-ordinator, and in conjunction with the Labour Safety Council in developing legislation and in developing good sound operating policies with respect to the legislation, which in turn will be used to guide our

operations in the field. We recognize that our product is not just a piece of legislation but that our product is more related to attitudes of both labour and management with respect to legislation. We are trying to project not a controlling image but a facilitating image in trying to encourage labour and management to accept their responsibilities under the legislation. We are going to do a much better job, hopefully, in our efforts to communicate the legislation to labour and management and to follow the letter of the legislation and the intent behind the legislation by explaining why safety makes sense and by trying to appeal to the reasonable side of our nature.

What I am saying essentially is that we are going to place an awful lot more emphasis on the educational side as our first line of defence. We recognize that in order to protect the integrity of the legislation we're going to have to have good strong follow-up with respect to those areas where we aren't successful in getting the message across. I guess you're going to see—and I think we can already see from some of the figures the first six months of this fiscal year are showing—that we are taking a tougher approach with respect to the legislation, in order, again, to protect the integrity of the legislation and the intent of the legislation.

Essentially, the reorganization—okay, there is a third aspect. The first is to strengthen our ability, through the staff unit, to develop sound policies with respect to the legislation.

The second aspect is having the information branch within the division and recognizing information not as an outside or a staff function but as an integral part of the line and as an integral part of the product we're selling or marketing. We're going to strengthen our ability to get the message across to employers and workers. The third step is, through the regional directors, hopefully to be much more responsive to local needs.

I guess one of the objectives of moving to a regionalized setup is to break down the traditional programme approach, the concentration on programme and legislation. What we're talking about is really shifting the emphasis from programme to client, to the public.

The regional director, essentially, does not have a piece of legislation which he or she is responsible for. They are responsible for a number of pieces of legislation but really, primarily, they are making sure that legisla-

tion is understood and people have an opportunity to expect their rights under that legislation.

That person really has two primary responsibilities. One is really the management of the resources we have in the field. How those resources are deployed is really the responsibility of that regional director. The second is to make sure that person has a plan for getting around and making sure we know who all our clients are and that we are getting the message across.

I guess from the number of exercises we've gone through in the past year—summer student surveys and so on—we know we have been missing a lot of people.

**Mr. Chairman:** Order, please.

**Mr. Hushion:** It can't be that dull.

**Mr. Martel:** We're just discussing it.

**Mr. Laughren:** We are preparing the attack for the next vote.

**Mr. Hushion:** I see.

**Mr. Martel:** Getting ready for you.

**Mr. Hushion:** Okay. What we're saying is we recognize our focus has been on legislation and our focus has been on programme. We're trying to shift that focus more to an understanding of the needs of people in the regions and making sure we're doing the best job we can of meeting those needs or helping them to meet their needs.

What we're talking about is looking at every single part of the system. That means the way we answer telephones; the kind of material we develop for different target groups; instead of using the traditional shotgun approach and expecting we're going to reach everybody, trying to tailor approaches to meet individual groups much more effectively. I guess that's in relation to the kind of point you were raising earlier. There is also the location and decor of the offices.

What we're trying to say, through this reorganization, particularly as it applies to this area, is that we care. We want people to feel they can reach us and can have faith in the legislation and the extent to which it's being enforced. Maybe that's enough to say at this particular point. You probably have questions.

**Mr. Bounsall:** Yes. A question on this in terms of the delivery of the inspection. Will you have inspectors who are both construction and industrial or will you still have the breakdown of someone primarily on industrial safety inspections—the area has more than



one obviously—and others primarily or totally on construction safety inspection? Do you see a melding of the two different inspections in terms of the individuals who do the inspection?

**Mr. Hushion:** There's going to be a melding in terms of philosophy and approach, and hopefully there's going to be a better articulated central thrust in terms of what we want to achieve. How we achieve it, whether we're going to have composite inspectors or not, is largely going to be up to the regional director to decide.

From the work of the implementation team, which I am chairing now and which is going around the province and talking to both our own staff and to outside people, I suspect it's unlikely there's going to be a great degree of integration. Where we might very well see some degree of integration is in the outlying areas, particularly in the north, say, where you have substantial distances to travel and where, for example, your construction sites or your plants aren't nearly as complex as they might be in a more developed part of the province.

What I'm saying is the regional director may well decide to have an industrial safety officer cover construction safety as well in order to be able to extend our coverage and be able to cover more areas. But, again, that's largely going to be up to the discretion of the regional director; obviously it will be done in consultation with the staff involved and hopefully in consultation with local groups within his region to see how they feel about it.

**Mr. Bounsall:** I was a little concerned about that, because I know that you develop a particular expertise, particularly in construction safety inspectors, which cannot be picked up easily by someone purely in the occupational health side—and perhaps the reverse is true—but you've hired people in the construction safety end of things who are very familiar with construction safety. We went into where you got the people from, and so on, in the estimates of a year ago. So I was rather concerned that there wasn't, certainly at the start, a melding of those two functions.

**Mr. Hushion:** No, definitely not. I am glad you raised it, because this question has been of concern to the staff as well; it has been raised. I think that in the discussions we have had with staff we've eased those concerns, in fact, there are many who welcome it and who see the potential for expanding their own jobs. It's obviously something that's down the road. It's not something that is im-

minent. We have to get our overall programme objectives a little more clearly stated before we look at that kind of step.

**Mr. Bounsall:** I would like to ask some questions purely on construction safety, if I could, Mr. Chairman, regarding the summer student programme which we heard about. The personnel office sort of handled the paperwork, while the hiring was done mainly through the heads of the programmes. How many summer students did you have under construction safety?

**Mr. Cleverdon:** There were 20.

**Mr. Bounsall:** And the hiring was done mainly through—

**Mr. Cleverdon:** Personnel branch controlled the hiring for us in terms of the paper work, but they were all interviewed for suitability by staff of my branch before being hired. They were engineering students in second- or third-year civil technology or civil engineering courses.

**Mr. Hushion:** I think one point may be of interest to you. The personnel branch sort of acted as co-ordinator for all the programmes and a programme of interviews was set up all around the province. I'm not all that familiar with the details but if they were in a particular region, they would be hiring for a number of these projects and there would be staff officers from each of the programme areas in the ministry there to interview candidates with respect to the specific programme for that area.

**Mr. Bounsall:** So there would be staff members from the construction safety branch at the interviews for the construction safety student summer programme?

**Mr. Cleverdon:** For example, in Windsor, your own area, sir, there were two men hired down there. They were seen by the local manager, Smith, in our branch before being hired. All of them that were worth looking at were seen, and he made a final selection.

**Mr. Bounsall:** Okay. Mr. Cleverdon, are you satisfied with the performance of the summer students this year?

**Mr. Cleverdon:** I would say elated, not satisfied—just beautiful.

**Mr. Bounsall:** What specifically did you have them doing? Part of it is a training programme for them, I understand. What specifically were they doing for the ministry?

**Mr. Cleverdon:** It ran roughly 16 weeks per student. The first two were in Toronto on our training programme—a crash programme on the basic structure of the law and the parts they can be entrusted with looking into—and then two weeks in the field with a regular, experienced officer—going along with him to help him out and to see how he performs. Then they were turned loose almost entirely on their own.

They call on smaller contractors, primarily smaller projects, and act as eyes and ears. They have no legal power to write directions or stop work, but make advisory comments to contractors. They are well received right across the province.

**Mr. Bounsall:** Would these be contractors which you normally wouldn't have been able to reach with your staff?

**Mr. Cleverdon:** Yes, that's true.

**Mr. Bounsall:** When they reported back, were any stop work orders issued as a result of the complaints coming in through the students?

**Mr. Cleverdon:** I can think of one very dramatic one, as a matter of fact. They were stopped in half an hour. He phoned his boss who was nearby and who then went into the job and stopped the whole project. They wouldn't listen to the student. By and large they were very well received by the industry; welcomed almost. They also passed around copies of the Act to a lot of small firms who didn't have a copy already. That was one of their functions as well.

**Mr. Bounsall:** Most of these small outfits were probably aware that you existed, but did they have copies of the Act?

**Mr. Cleverdon:** To my great surprise, after mailing out 30,000 copies two years ago to all WCB employers in the construction classes, we still find people with the old brown book in their possession. It's been dead now for over two years. I can't account for that. They were mailed to all firms listed with WCB two years ago.

**Mr. R. M. Johnston:** Perhaps my question is out of order, and if it is I'll withdraw it. I have a concern in safety, both in construction and in industry, and it is in relation to the use of drugs and/or alcohol in relation to the number of accidents. Is the question in order?

**Hon. B. Stephenson:** Yes.

**Mr. R. M. Johnston:** For instance, an impaired operator of a fork lift truck or crane, could endanger the lives of many workers. Have any statistics ever been prepared on this problem?

**Hon. B. Stephenson:** I can't tell you. Have we ever studied the possible—

**Mr. Kinley:** Not as far as my experience goes in the ministry.

**Hon. B. Stephenson:** I know that there have been reports, but I am not sure that our research branch has ever looked specifically at this area.

**Mr. Kinley:** We haven't in the research branch, I know that.

**Mr. R. M. Johnston:** For an example, if someone had to work on a 30 or 40-storey building, I imagine a lot of them would like to be fairly stiff before they went up that high.

**Mr. Angus:** In more ways than one.

**Mr. R. M. Johnston:** If we really are concerned with safety, I wonder if this is one avenue that we should explore?

**Mr. Cleverdon:** A great many companies have a very clear-cut, firm policy that you may not drink or have alcohol on a construction site. If caught doing so, you are fired on the spot. That's one. I can think of at least two deaths in the last two years where the blood count was taken by the police after the person was killed. Both were up the order of 0.3, not .08. One fell off a ladder. One was killed on a construction hoist inspection.

**Mr. Haggerty:** The United Steelworkers of America have an excellent programme, I believe right here in Toronto. It deals with the alcoholic problems among workers in its industry.

**Hon. B. Stephenson:** That's a treatment programme.

**Mr. Haggerty:** A treatment programme, but they have done some research on it. I think the Health and Welfare department in the United States has also come up with a good research study on it.

**Mr. Cleverdon:** We have found that compressed air workers who drink heavily are more apt to get the bends than those who don't. They are all warned beforehand by the doctors not to drink while working in compressed air. And also for a period prior to going in or after coming out.



**Mr. Haggerty:** I think there have been some indications that the time is not too far away before you are going to have to have a breathalyser test before you go into some of these plants, the problem is that bad.

**Mr. Chairman:** Mr. Johnston, do you have anything further?

**Mr. R. M. Johnston:** No, except that I wonder in the event of fatalities or accidents if there is any legislation that would cover a blood test to see if any percentage of alcohol was in the system?

**Hon. B. Stephenson:** I don't know of any legislation that covers it as a matter of fact at the moment. I wonder if it is perhaps something that we should be looking at more carefully than we have in the past, because there are now, as you know, a multitude of prescribed and non-prescribed medications which workers might be taking which could increase their vulnerability to accidents within their work place. I think it might be worthwhile—

**Mr. R. D. Johnston:** With so much machinery in factories and mines being operated by individuals, if liquor or drugs was a contributing factor it could conceivably cut down on the accident rate if we could eliminate it.

**Hon. B. Stephenson:** That is worth a look. Thank you.

**Mr. Chairman:** Mr. di Santo.

**Mr. di Santo:** Yes, Mr. Chairman, I would like to make just a few remarks. I am familiar with some of the problems, especially in the construction industry, in regard to safety. As you know, most of us are helping people who, as a result of accidents that happen on construction sites, are dealing with the Workmen's Compensation Board. I think we should look at the problems in construction safety regulations in the perspective of the industry in general, and what is their role over the workers in this industry, and how they are seen, because as far as I am concerned I think the safety regulations in the Province of Ontario do not sufficiently protect the workers. One, because they are easily replaceable by other workers, and two, because the penalties are so insignificant that it is quite easy for any employer to get away with breaches of the safety regulations.

The minister knows that in many accidents the companies receive fines which are ridiculous. Two years ago, for three deaths,

a company had a fine of \$200, which I think is wholly an insult to the human dignity of people who are employed in an industry where the rate of hazard is so high, not because of the industry but because of the lack of enforcement of the safety regulations. I think you should consider seriously how to enforce reasonable penalties for those companies which are found not to be respecting the safety regulations. Make them penalties and not symbolic token gestures, to show the public that the companies have paid for the loss of human lives.

**Hon. B. Stephenson:** In the first nine months of this year, I think you should know that in the construction safety branch the number of convictions of employers has increased from 203, as it was in the comparable months last year, to 767, and the fines have more than doubled from \$66,729 to \$177,670. Your concern is about the level of penalty per conviction. That information I cannot give you right at the moment. Can you, Keith?

**Mr. Cleverdon:** Oh yes. Granted, they were at one time very small indeed, and it was actually cheaper not to obey the law and pay the penalty if caught, I'll grant you that. You must not forget the penalties are set by the courts of the land and not by this branch or the ministry. We can make recommendations only to the courts and they guard the right to decide the penalty.

In the case of workmen today, we have a sort of scale of fines we recommend if asked for. It's in the order of \$200 for a first offender, for a workman. For a contractor, on serious matters like unshored trenches, powerline proximity or contact, ungrounded tools, lack of safety belts, lack of guardrails, the first offender is normally fined about \$2,000 plus, of course, legal fees and delays through being in court to answer to the charges. We're getting almost no second offenders; about two per cent second offenders.

**Mr. di Santo:** The point is also that many companies prefer to get a conviction rather than spend money in order to set up a system of safety which will prevent accidents. I think in that respect we should also consider a different role for the Ministry of Labour because it's my impression that as far as safety is concerned, what you are doing is trying to sell the public the idea that you are educating the workers to avoid accidents. Most of your programmes, through the Workmen's Compensation Board or the



Construction Safety Association, are programmes of education.

What that amounts to, to me, is an enormous amount of money saved by the industry which doesn't buy safety equipment and doesn't respect the safety regulations. On the other hand, the firms put the burden on the workers because when an accident happens they say, "It's your fault." As a matter of fact, most of the companies have safety people—and I can bring you examples and evidence of this—whose role is to go around and take pictures of workers presumably doing a job in the wrong way and in a dangerous way. If something happens they want to prove it was the worker's fault.

I think you should reverse the trend and education is important. I agree with that, but the onus should be put on the company because if accidents happen it's the company's fault and for that reason enforcement becomes crucial. I do realize that now the situation is much better than three years ago when inspectors were hired by the municipalities and we had hockey referees who were safety inspectors. Today, even though there is a possibility of a political appointment, at least we have uniformity throughout the province.

What I'm not satisfied with is the fact that the inspectors, both in number and the use of their power, cannot really operate effectively on the construction sites especially at this time when we have an economic recession. In order to get work, the companies have to lower their bids and, therefore, cannot spend enough money in those areas which are not essential for the construction of buildings. One of the areas, unfortunately, is safety and they try to save money on safety.

At this moment the role of the safety inspectors becomes very important and I would like to ask you what your feelings are about, one, shifting the role of the minister from education to enforcement, and two, giving more powers to the safety inspectors?

[1:00]

**Hon. B. Stephenson:** I believe very strongly that the role of the ministry has been equally active in both directions—both in education of the worker and of the employer and enforcement of the law. If you look at the statistical information which is available in the Province in Ontario, you will realize that in terms of construction safety this province is probably the safest jurisdiction in which to work in construction. The fatality rate in the Province of Ontario is less than one-half per

100,000 construction workers than it is for the whole of Canada and less than one-third per 100,000 construction workers than it is for the United States.

**Mr. di Santo:** But fatalities are extreme cases.

**Hon. B. Stephenson:** But they are a measure of the accident rate within the construction industry and certainly a measure of the enforcement of the regulations regarding safety in construction.

I will agree with you, as Mr. Cleverdon has, that previously we perhaps weren't as vigorous in this area. But I think the whole thrust of increased inspection, and increased surveillance of those companies known to have tried to evade construction laws, or safety laws at least, has been pretty effective. That's the direction in which we're going right now. I agree that this is the right direction to go, to make sure the companies are aware of their responsibilities. However, I would not in any way downgrade the need for an education programme to inform the workers of their personal responsibility for safety maintenance and for safety on the job. I think that's equally important.

**Mr. Chairman:** It is now just past 1 o'clock.

**Mr. Bounsall:** Could I just slip in one more question here? Has the frequency gone down, that is the number of lost time injuries per—what is it, million manhours? How was the frequency during the year we're in, as compared to the previous year? It was 63, I believe.

**Mr. Cleverdon:** I don't have the current figure on that, Mr. Bounsall, but the trend has been downwards steadily at roughly 3.5 per cent per year for the past five years and the trend curves are dipping more steeply in the last two years. We're seeing the effect of our enforcement now. It takes a while for it to catch up to us.

On the matter of fatalities, this is worth mentioning to you. Last year the Workmen's Compensation Board took in \$51 million in compensation in the construction industry and paid out \$46 million in claims. The balance was the budget for the safety association and overhead. Of that payout figure I gave you, exactly half of it went to only four per cent of all the accidents, the fatalities and the permanent disabilities. Our thrust in our inspection programmes have been largely in the areas that we call the killers and maimers.

If we get those things cut down, we get a far better return for our investment in our inspection function. They're coming first.

It has got to the point today where there is virtually mandatory prosecution for unshored trenches, power line contact, lack of guardrails, lack of safety belts and that kind of thing.

Mr. Chairman: It's now after 1 p.m. I'd like to remind the committee that we will continue with the estimates of this ministry, commencing again this Wednesday immediately following the question period. We will meet Wednesday afternoon and Wednesday evening.

The committee adjourned at 1:05 p.m.

## CONTENTS

---

Friday, November 7, 1975

Ministry administration programme, concluded .....	S-211
Occupational safety programme .....	S-225
Adjournment .....	S-233

## SPEAKERS IN THIS ISSUE

---

Angus, I. (Fort William NDP)  
 Bounsall, E. J. (Windsor-Sandwich NDP)  
 Campbell, M. (St. George L)  
 di Santo, O. (Downsview NDP)  
 Haggerty, R. (Erie L)  
 Johnston, R. M. (St. Catharines PC)  
 Mancini, R. (Essex South L)  
 Martel, E. W. (Sudbury East NDP)  
 Newman, B. (Windsor-Walkerville L)  
 Norton, K. (Kingston and the Islands PC)  
 Stephenson, Hon. B. Labour (York Mills PC)

### Ministry officials taking part

Cleverdon, R. K., Director, Construction Safety Branch, and Acting Director, Industrial Safety Branch  
 Hushion D. E., Executive Director, Employment Services Division  
 Johnston, R. D., Deputy Minister  
 Jones, D. F., Executive Secretary, Labour Safety Council  
 Kinley, J. R., Ministry Co-ordinator, Policy Development  
 Skolnik, M., Director, Research Branch









Government  
Publications

# Legislature of Ontario Debates

**SUPPLY COMMITTEE**

**ESTIMATES, MINISTRY OF LABOUR**

**OFFICIAL REPORT — DAILY EDITION**

**First Session of the Thirtieth Legislature**

**Wednesday, November 12, 1975**

**Afternoon Session**

**Speaker: Honourable Russell Daniel Rowe**  
**Clerk: Roderick Lewis, QC**

**THE QUEEN'S PRINTER**  
**PARLIAMENT BUILDINGS, TORONTO**  
**1975**



## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MGS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.

## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

---

WEDNESDAY, NOVEMBER 12, 1975

The committee met at 3:25 p.m.

#### ESTIMATES, MINISTRY OF LABOUR (continued)

**Mr. Chairman:** I will call the meeting to order as I see we now have a quorum.

We have nine days left to complete the Ministry of Labour and also the ministries of Energy and Housing. If I might take the liberty of making a suggestion—and again I will say it is up to the committee—if the Labour estimates are completed tomorrow night at 6 o'clock, that would mean three and a half days for Labour. Then the committee would continue Friday, Monday and Tuesday, and that would be three and a half days for Energy and would still leave four days for Housing. I have discussed it with some members of the committee, and if we could come close to this, I think it would be helpful in considering all the estimates.

**Mr. Wildman:** When is the day for the Workmen's Compensation Board?

**Mr. Chairman:** The date for the Workmen's Compensation Board is Nov. 26. It has been suggested we meet from 10 to 12 and from 2 to 6.

**Mr. Laughren:** On that point, Mr. Chairman, I don't think in my wildest imagination that I could see the Workmen's Compensation Board being dealt with in one day during those hours. I would request that we consider the problems of the board for more than one day, if it seems necessary to the members of the committee. Would that be acceptable?

**Mr. Chairman:** I would have to say, Mr. Laughren, that I know this was discussed this morning at a meeting of the committee chairman and the House leaders and I was left with the impression that we had only one day. If it is the wish of the committee for me to go back to them, I'd be glad to do that.

**Mr. Laughren:** I can speak only as one member of the Legislature, not of the committee, that I just can't imagine, given the problems at the board these days, we could deal with it in one day. I just think you are going to cut off a lot of members who wish to bring up problems and offer alternatives or solutions even.

**Mr. Bounsall:** I would say the same thing, Mr. Chairman. Perhaps at your next meeting you might discuss it, and we will certainly talk to our House leader on the subject. Last year in a rather unstructured way it took a week at least. I clearly remember a week and it may have gone over into the next one as well. To have one day is just not giving it an airing at all. Secondly, I think with the Workmen's Compensation Board one can perhaps structure things. I don't think it needed to have taken all that length of time, provided it was structured under various topic headings, but certainly one day, structured or not, is not enough time for the WCB.

**Mr. Chairman:** I would say, first of all, that I'll take the suggestion back to the House leaders who, I must say, originally agreed to extend the work time of this committee from seven days to 14 days and now have extended it another day. I would be very glad to take it back and bring back their recommendation.

**Mr. Bounsall:** Did you want a motion or a general agreement from the committee that we finish by 6 tomorrow?

[3:30]

**Mr. Chairman:** Mr. Bounsall moved that the committee endeavour to finish the Labour estimates by 6 o'clock tomorrow afternoon.

Any opposed? Let's do it that way. Any opposed?

Motion agreed to.

**Mr. Chairman:** All right, we will continue with the estimates of the Ministry of Labour.

On vote 2102:

**Mr. Chairman:** We are on item 1.

**Mr. Bounsall:** We had finished construction safety, had we?

**Mr. Chairman:** No.

**Mr. Bounsall:** Mr. Chairman, I would like some information on the Italian information project that is taking place. I gather this is a new Canadian worker's safety research project. Is it in the pilot stage? I have a couple of questions on it. I gather the funding is \$100,000 for press, radio and TV. I would like to know some of the specifics of the programme. Just what are we getting for \$100,000? What is planned in this pilot plan, in this pilot project on this safety programme?

**Hon. B. Stephenson:** Mr. Chairman, there are, in fact, several directions to this project. One is a specific information service, via all media, specifically to those construction workers, those workers, in fact, who are Italian speaking originally, because of our concern that perhaps it was a little more difficult for them to understand their own individual roles as involved and concerned workers who should be aware of the problems which their place of employment may be raising.

I think that it looks as though it should be a very good programme and I think, perhaps what I should do is allow the deputy minister to elaborate a little bit upon it. But then there is yet another programme which is involved with Italian workers in construction which is going through another agency.

**Mr. R. D. Johnston:** I take it the programme you are talking about is the one where we were encouraged, about a year ago, by people in the Italian community, as well as the Consul General in Toronto, to take advantage of what was really an offer from them to assist us in the problems of integrating immigrant Italian workers into the working environment, particularly as it related to construction safety. Dialogue with representatives of that community has been going on now for nearly a year. It is oriented toward what might be called the cultural shock problems of Italians emigrating to Canada and working in construction, particularly as it relates to language and ethnic differences.

It is designed to help us enforce the construction safety legislation. The emphasis is on making sure that workers and employers in a work-setting where there are significant numbers of Italian-Canadians and Italian immigrants, landed immigrants, under-

stand their rights and responsibilities under the Construction Safety Act. It is not, in the strictest sense of the word, meant to be a kind of accident prevention or safety education programme. That remains the responsibility of the Construction Safety Association, operating under the wing of the Workmen's Compensation Board.

It is much more oriented toward a better enforcement of the Construction Safety Act as it relates to these people. It has reached the stage now where a kind of plan has been developed involving a communications programme aimed at both employers and employees where there are significant numbers of Italian immigrants, which will include both printed and radio and television communications in their language, using, where possible, radio and television stations that are beamed at that kind of community.

I don't know how much more you would want to know of a specific nature. It has reached the stage now where the actual advertisements and so forth would begin to surface in about two or three months. Up until now, it has been very much in the planning stage, making sure we are all clear on our objectives and outlining a kind of plan of attack. That plan of attack has just been put into its final draft form within the last week or so. It is now in the hands of the people who have served on the steering and advisory committees, representatives of management and labour and the community generally.

**Mr. Bounsall:** So, it is very much in the planning stage still. Does it plan to have advertisements in the Italian language newspapers? Is this the place where you are putting the newspaper advertisements—in all of the Italian language newspapers?

**Mr. R. D. Johnston:** Can you answer that?

**Mr. Cleverdon:** Yes, we are using three media. First of all, television and the newspapers. There are two journals, a magazine, and two TV stations in the Toronto-Hamilton market. Then, we are going over to radio—in the going to work and coming from work time—roughly in April. Our current plan is for November through until May of next year. It is being funded from part of the construction safety vote—partly on this year and partly the votes for next year.

One more small point. A hot-line telephone number is being given out in the media. If you call that number in the daytime, you get an Italian girl speaking to you in your own language. You can take down your complaint



or your request for help in Italian; and it is being answered after hours by a tape-recorded announcement in Italian, saying that if it can't wait until the next morning, have some English-speaking person phone the Queen's Park switchboard number for you. You will then be put onto an Italian person at home.

**Mr. Bounsall:** Is this mainly the Toronto-Hamilton area then?

**Mr. Cleverdon:** Initially, yes.

**Mr. Bounsall:** Initially, for the whole six months of the programme?

**Mr. Cleverdon:** That's the current plan, yes.

**Mr. Bounsall:** Is it piloted in the sense that you are looking at it to see how successful this is before you send it to other areas in the province?

**Hon. B. Stephenson:** That's one of the objectives, yes.

**Mr. Bounsall:** I have one more question, but other people probably have some on the specifics.

**Mr. R. D. Johnston:** It's piloted really in two senses. One, to see if it's an effective programme. Two, perhaps to see if it may be useful for people with a different ethnic origin, even though at the moment it's entirely directed at the one ethnic community—because of how it came to pass.

**Mr. Bounsall:** Are you looking at it from the point of view of extending it to the industrial safety programme—the rights under the Act involved there?

**Mr. R. D. Johnston:** I can answer that in a more general way by saying that in the industrial safety area we are aware that we haven't done very much in the way of good communications, other than making the Act available to everybody who should have one and by word of mouth through the inspectors. We really haven't engaged in much of what might be called an information programme in the industrial safety area, involving different forms of communication. We do hope to do some more of that. In fact, we are asking for money in next year's budget for that very purpose, and it will relate to the re-organization of the ministry that has been discussed earlier where the information function is now going to be an integral part of the delivery function in the field.

**Mr. Bounsall:** That's all on that topic.

**Mr. Chairman:** Mr. Mancini.

**Mr. Mancini:** Thank you very much, Mr. Chairman. I would like to talk a little bit about the future of construction safety. If we are going to talk about that, we are going to have to discuss what is being done now in certain areas. I would like to know from the minister if there are any safety education classes being included in apprenticeship training for all trades. Is this being done or is there any plan for this being done in the future?

**Hon. B. Stephenson:** I can't tell you whether there are any as an integral part of the apprenticeship training programme at the moment.

**Mr. Mancini:** Maybe one of your aides might be able to help.

**Mr. R. D. Johnston:** The difficulty is that apprenticeship training is not a responsibility of our ministry and hasn't been for nearly four years, so I couldn't really tell you what they are currently doing. You might ask the Ministry of Colleges and Universities that.

**Mr. Mancini:** Yes.

**Mr. Wildman:** Which is one of our main criticisms.

**Mr. Mancini:** Maybe the new minister might look at this in a different light.

Also, another question along the same level. I don't know exactly how much training these professional engineers have, who design projects, etc. But are there any courses at the college level which are in accordance to graduating?

**Mr. Cleverdon:** Not to my knowledge. We did a pilot one-day course, one day a week, over about two months at Queen's in the last year to start.

**Mr. Mancini:** I find this thing very amazing that we spend so much money paying out to injured workers. These gentlemen said here today that it's going to take more than one day just to discuss the problems of a workmen's compensation. Yet we are not moving into an area to train new young people who are coming into the work force. I think that is where you have to start. I think the man who has already been working for the last 25 years—all we can do is to help him if he gets hurt and, maybe, train him now. But I think that the new people coming out would have to be trained before they are on the job and made very safety conscious.

I would like to ask one more question of the minister. Has it been the policy of the ministry and, if not, do you plan to change this policy so that you can, to meet the construction association safety people of the province on a regular basis when you plan to improve methods of legislation? When new parts of legislation come before the House, have you ever thought of talking to the people who are directly involved with the workings of the outcome?

**Hon. B. Stephenson:** Mr. Chairman, the Labour Safety Council includes members of the construction industry in the Province of Ontario and the Construction Safety Association and that group does meet regularly. We are informed regularly of their recommendations so that they do have very definite direct input into the development of new legislation regarding construction safety.

**Mr. Mancini:** And these people encourage new legislation?

**Hon. B. Stephenson:** Yes, vigorously.

**Mr. Mancini:** Fine. Then I would like to get back to the point that I made the other day about the public utilities and the construction people. I'd like to know why at that particular point in time—the 12 months or 18 months—Mr. Cleverdon didn't take their proposal as seriously as it should have been taken?

**Hon. B. Stephenson:** I would doubt that it hasn't been taken seriously. The proposal has been referred to the appropriate ministry because it is actually within another ministry that the responsibility for that Act exists. We referred it, with recommendations that it be examined, and hopefully something is going to happen to it.

**Mr. Mancini:** Do you foresee in the near future you yourself taking this under your own wing?

**Hon. B. Stephenson:** I foresee in the near future that it will come to policy field discussion, yes.

**Mr. Mancini:** Thank you.

**Mr. Chairman:** Mr. Lupusella.

**Mr. Lupusella:** I would like to ask the deputy minister from what time to what time those programmes are going to be delivered on radio and television? Actually I never heard about those programmes, but if they are going to be delivered during the day I

don't think the workers are going to be at home for such programmes.

**Mr. R. D. Johnston:** No, I understood Mr. Cleverdon to say—if you're talking about the radio programmes—that they will be delivered at a time in the morning or evening when it is believed that the workers are travelling to or from work in their cars.

**Mr. Lupusella:** I don't think they're going to be at home during the day. I would like to ask a specific question. What time do you deliver such programmes to the radio?

**Mr. R. D. Johnston:** For one thing I'm not sure that the times are actually set.

**Mr. Lupusella:** Otherwise, there is going to be a waste of money as well.

**Mr. R. D. Johnston:** I can assure you that we appreciate what you're saying. We have every intention of delivering these programmes at the time when they're most likely to be heard by the workers at whom they're aimed. We don't plan to deliver them in the middle of the day—at least, in terms of radio.

**Mr. Lupusella:** I realize that. You are aware of the programme so you must also know the time when they are going to be delivered.

**Mr. R. D. Johnston:** Maybe someone in this room does. Were you here when we discussed this a few minutes ago?

**Mr. Lupusella:** No.

**Mr. R. D. Johnston:** I explained that we were really only at the stage where the plan has been finalized. The radio commercials, if I may call them that, will not be aired until probably April. We really haven't reached the point where we've worked out such details as the exact hour and minute when they will be aired. We'll certainly bear in mind what you've said and see that they're done at a time when they're likely to be heard.

**Mr. Mancini:** On a point of order, Mr. Chairman. Maybe you could let the hon. member know when you find out.

**Mr. R. D. Johnston:** Surely.

**Mr. Chairman:** Mr. di Santo.

**Mr. di Santo:** I have just a few questions to ask the minister. May I ask how many cases of accidents were investigated during the last year?

**Hon. B. Stephenson:** In construction safety?

**Mr. di Santo:** In construction safety, yes.

**Hon. B. Stephenson:** All accidents were investigated. Do you mean how many investigations were carried out?

**Mr. di Santo:** How many accidents were investigated? What is the number of accidents investigated?

**Hon. B. Stephenson:** Mr. Cleverdon can tell you that.

**Mr. Cleverdon:** Yes. Our source of data is received from the Workmen's Compensation Board on a daily basis—a Xerox copy of what's called form 7. That's the employer's claim for a lost-time injury. Some are not allowed, subsequently. We can't tell that, of course. In turn, a copy of those are sent to our field staff. There were roughly 18,800 in calendar 1974, that's within one per cent. The trend downward is about 3.5 per cent per year for the past five years, per 100,000 workmen.

[3:45]

You have to plug in a number to allow for the growth of the work force. The actual numbers appear about level but the work force is growing at roughly 3.5 per cent per year. Which ones are investigated is a matter of discretion by the district managers. Some are quite minor and don't warrant investigation, or are so stale in time as not to warrant trying to go in to look at them.

All fatal are investigated. All critical are investigated; that means likely to die. Certain of what we call the "killer type" are investigated, such as power-line contacts and that kind of thing. There are many that are bruises and cuts and scrapes and investigation would not really be of any use to us at all. They aren't investigated but they are recorded.

**Mr. di Santo:** As far as this type of programme is concerned, I should make a preliminary remark that I think that it's not the best way to put it. The minister puts it that the workers have a little bit of difficulty to understand. I don't think that that's the problem. I think the workers understand very well what they are doing and quite often they pay for the accidents in which they are involved. In the last 12 months we had 54 on the construction sites. I think that it's a programme of communication which is a different problem and which involves both the employers and the workers. I think that this programme is valuable, if it is enforcing the Construction Safety Act.

As I said the other day, I think that we are putting too much emphasis on education—which is important. I don't disagree with the minister. It is important to have education, to have the workers aware of what's happening to them if an accident is going to happen. I am firmly convinced that the primary and final responsibility should be with the companies because we don't have to under-evaluate that when we are talking of the construction industry, we are talking of investment of money and returns and profit. In order to set up all the kinds of equipment to make a construction site safe, the companies have to invest money. I think the primary responsibility of your department, of the Ministry of Labour, is to make sure that the workplace is safe. I think the enforcement of the Construction Safety Act is extremely important. I should say that it isn't very clear to me. Of course as I said before, I welcome this programme even though I am not very familiar with it. I understand that it comes at a late date.

The workers we are talking about are becoming older and older because the people who are now in the construction industry from this particular country, Italy, are those who came in the late 50s or early 60s. Anyway, there is always time to start and I welcome this programme. I would like to ask the minister when you talk about enforcing the Construction Safety Act, can you give us more details and how it will work. Are you talking only of advertising and television programmes or is the ministry going to undertake a different kind of action in order to reach these workers?

**Hon. B. Stephenson:** Mr. Chairman, in addition to the activity which has been mentioned, of course the Construction Safety Act has been more vigorously enforced in the past several years with a difference in the approach to the delineation of hazards, a difference in approach to the pursuit of fining employers who did not in fact comply with the construction safety standards. This is yet another step, we feel, in the area of enforcement because if the worker is more aware of the employer's responsibility and particularly if the worker is unsuccessful in persuading the employer to comply with the construction safety regulations, then he is going to be informed that he has yet another channel which he may pursue, which is directly to the ministry, so that the ministry can take some action on his behalf.

I would point out to you that your figure of 54 deaths, I think, is incorrect for the year 1974. It may be in the newspaper but I don't



believe everything that's in newspapers, do you?

**Mr. di Santo:** It is in the last 12 months. I am a newspaperman and I believe in newspapers.

**Hon. B. Stephenson:** Your background is somewhat different from mine.

**Mr. di Santo:** May I ask then what the figures are in the last 12 months? I understand in the first six months of this year it's 18. I'd like to know what's the figure for the last 12 months.

**Mr. Cleverdon:** Yes, I can answer off the top of my head, if I may be trusted with that right now. We compile our data for fatalities and for prosecutions on a calendar year's basis, not fiscal, to maintain continuity with the old municipal inspection system. I'm going to talk on that basis. In calendar 1973, there were 54 construction deaths in Ontario, nine of which were not covered under the old Act by comparison purposes, all occurring after Aug. 1. In 1974, there were 45 or a drop of nine. In 1975 to the end of September, there were 35, down from 37 a year ago.

**Mr. Lupusella:** It seems that throughout this committee we have been talking about implementation of this Construction Safety Act. It seems that the member for Downsview (Mr. di Santo) at the last meeting raised the problem of three workers dying in London, I think, in construction. The owner of the building was taken to the court and was fined \$200. For the employer it's more convenient to pay \$200 rather than to implement the construction safety regulations. What I'm suggesting is that the minister should implement some kind of regulations which are going to raise the fine for those employers who are not respecting the Construction Safety Act, rather than to give to the employer the chance to pay \$200, without giving a damn about three workers dying on the job.

**Hon. B. Stephenson:** First, Mr. Chairman, if I may say before I turn things over to Mr. Cleverdon who knows about that accident specifically, it is not the ministry's prerogative to set the fines for those actions which appear before the courts. That is the court's responsibility.

**Mr. Lupusella:** So why do we need the Construction Safety Act?

**Hon. B. Stephenson:** Because we are trying to prevent accidents.

**Mr. Lupusella:** It is just a formality.

**Hon. B. Stephenson:** No, it is not a formality at all. I might ask Mr. Cleverdon to respond because he does know about this.

**Mr. Cleverdon:** You are referring, I believe, sir, to the accident in Hamilton on Sept. 9, 1974, at 180 Bold St.

**Mr. Lupusella:** Right.

**Mr. Cleverdon:** The owner was killed in the accident.

**Mr. Lupusella:** Three workers were killed.

**Mr. Cleverdon:** He was killed himself. He was the president of 180 Bold St. Ltd. and a well-known local building contractor. The other two who were killed were a factory employee whose firm was on strike and who was working as a labourer temporarily, and a crane operator who had crossed to look at the operation. He wasn't working there at all; he was a spectator.

What actually happened there, and I was at the inquest as well, was that the contractor who was killed was clearly warned beforehand by his engineer not to attempt to cut the north bank on Hunter St. to more than 45 deg. He ignored that warning completely to get more garage space. He waited until after we'd made our last inspection from the construction safety branch and the building inspection of the city of Hamilton and then put a backhoe back in and dug 20 ft into the north bank, changing its slope to about 70 deg from 45.

His forming contractor refused to work down there to build the form work for him, so he did it himself. He built the forms himself with the labourer helping him and he got away with part of it. He got the side wall built and part of the end wall built before the whole thing caved in, burying all three of them. The charges were laid not by us but by the city of Hamilton for a building bylaw contravention and the fine was \$300 not \$200.

**Mr. Lupusella:** It was \$200.

**Mr. Cleverdon:** I'm sorry, it's \$300.

**Mr. Lupusella:** I can collect such details to talk about the accident if you want me to do so. It was \$200 and I don't know what the Ministry of Labour has been doing at that time to penalize the employer.

**Hon. B. Stephenson:** The employer, in fact, paid the supreme penalty. He got killed in the accident.

**Mr. Lupusella:** But three workers had been killed.

**Hon. B. Stephenson:** No. One worker and one observer and one worker who was working I gather as—he was on strike at the time?

**Mr. Cleverdon:** Yes, he was.

**Mr. Lupusella:** I am going to collect more information about this accident because I don't think I had clarification at that time of what the Minister of Labour has been doing in that respect.

**Mr. R. D. Johnston:** May I comment? I think I understand the point you are making and that is you think the fines are too small in a case where there is a fatality. As the minister has explained, that is a function of the courts. The law could be changed, presumably, to have a minimum fine but that has been considered in conjunction with the Attorney General. It's generally felt that minimum fines are counter-productive because what happens when you have a minimum fine is that the court quite often fails to convict.

**Mr. Lupusella:** Is the Minister of Labour moving in such direction to raise the penalties for those employers who are not respecting the Construction Safety Act?

**Mr. R. D. Johnston:** Mr. Cleverdon can tell you in some detail, and maybe we should let him, what we have been doing in the last year to increase the number of violations of the Act which are taken into the courts; the sort of success we've had in getting prosecutions and the kind of fines we've been getting which, frankly, although you might not regard them as large, have been getting larger than they used to be. We've had some not insignificant fines in the order of several thousands of dollars. Do you want to elaborate on that, Steve?

**Mr. Cleverdon:** Yes, gladly, sir. Under the previous inspection system which until two years ago was almost entirely municipal, it was claimed they made about 200,000 inspections a year. They wrote directions on only about 20,000 of them. The best year ever before for fines was 1971 with, I think, \$72,000, rounded off, in fines. Normally it was around \$20,000 to \$30,000 a year. Here are the comparison figures.

For calendar 1974, our first full year in operation, with only 80 per cent of our staff recruited for part of the year, here are the actual figures: We laid 916 charges; we had 446 convictions; there were 256 still not heard

at the end of the year. During the year, on those convictions \$141,294 was levied. By comparison, here is the first nine months of this year which I think is even more dramatic. Just give me a moment until I check my figures—here are the figures for the first nine months of the current year. We had an increase in convictions compared to the nine months of last year from 203 to 767.

**Mr. Lupusella:** How many convictions?

**Mr. Cleverdon:** That is the number of convictions I am talking about—almost  $3\frac{1}{2}$  times as many. The fines increased for the same nine months from \$66,729 to \$177,670. There currently are some 500 cases backlogged before the courts right now which are being heard as fast as possible.

Getting back to your particular point, we consider unshored excavation and trenches one of the three main causes of death and they have been for the last 12 years in Ontario. As current branch policy, there is an automatic prosecution of a contractor caught in that situation. There has to be a very good reason why he is not prosecuted. It has to be approved by the manager for the district and by the regional engineer as well before they are not prosecuted.

When they are, if our advice is sought by the courts—and some do and some don't as you have been told by the minister—if our advice is sought by the courts we are pressing for fines of between \$2,000 and \$5,000 for a first offender. There was a fine of \$6,000 levied last week in Peterborough against a contractor and a further one of \$200 against the foreman.

**Mr. Lupusella:** I realize that so many inspections took place in the last nine months but what I am trying to say is that a lot of people are dying on the job and we must be concerned about them. If the minister is going to take a certain position to change—what is it? The civil courts, the acts in the courts—you mentioned that there are some things which must be changed in the courts? [4:00]

**Hon. B. Stephenson:** It is the court's prerogative to set the fine, unless a minimum fine is recommended by the Ministry of Labour. And as the deputy minister just told you, it was felt that suggesting a minimum fine was counter-productive—because that might be the fine that is levied in all cases.

What is happening is many more employers are being charged than were charged before because the inspections are more thorough; they are directing every single in-



fraction much more regularly than they were before. As a result of this, more cases are going to court and heavier fines are being levied. I think the effectiveness of this is being demonstrated by the fact that the numbers of fatalities are decreasing yearly.

**Mr. Bounsall:** Just one last question. Last year, Mr. Cleverdon, you brought up the term "frequency" as the measure of the construction safety situation in the province, defining that as the number of lost-time injuries per million manhours worked, and quoted a figure of 63. Is there any improvement on that? They went from a low of injuries in the landscaping field to a high in the demolition field. But has there been any change in the overall figure?

**Mr. Cleverdon:** I'm not aware of the most recent figure, Mr. Bounsall, on that. There's a slight downward trend from my last discussion with the Construction Safety Association who keep the records for that. The unfortunate part of that figure is that there's no accurate basis for it. Volunteer employers who take part in the programme give us detailed figures—I think we can trust their figures, but all don't take part in the programme, and until they all do, we can't be sure.

We know, for example, of one prominent construction company whose frequency in the last year was seven, where the mean was 63. I know of one more that's over 300. We get wide discrepancies from one company to another. Some companies have changed ownership and have dropped dramatically—from in the order of 150 down to around 25 in a five-year period—because of company policy. But the overall figure is still too high in my opinion, something in the order of 60.

**Mr. Bounsall:** You're in possession of some figures of companies with 150 or 200—do you do anything special with these companies to see that it's brought down? At some point you become aware of a 200 figure; how does the action change toward them?

**Mr. Cleverdon:** I hate to tell you, but we do know a great deal about the industry and about the bad guys out there. We're watching them very carefully.

If you co-operate with our inspector and have very few contraventions, your inspection frequency is dropped down considerably. You give us a hard time, we're back every week.

Right now, on the Spadina subway project there are three main contractors working. It's a very important public project. To keep on

top of it we're inspecting all three parts of that job once a week. Until quite recently that applied as well to the CN tower—now it has been slowed down a little bit.

Where there's a major job or a particularly hazardous kind of job or we've got a known, dangerous employer—and we know who they are, I can convince you of that—we watch them very carefully. In fact, one I'm thinking of in one city had three convictions in a matter of three or four weeks—one was \$800, one was \$5,000, one was \$2,000—he went bankrupt the next week. That was about a year ago.

**Mr. Bounsall:** How many bankruptcies?

**Mr. R. D. Johnston:** I don't think that's what he said.

**Mr. Wildman:** Mr. Chairman, the whole tenor of the discussion just previous to Mr. Bounsall's question in regard to what Mr. Lupusella was saying, bothered me. We were talking about people's lives and people were saying it wasn't as bad as it sounded because the employer had died—I know that wasn't what you were saying, but that's what it sounded like—it seems unfortunate to me, if we are depending on the Almighty to bring about the punishments if they are necessary. It makes no difference who died, the point is that it is certainly within the court's realm to decide what the fine should be, but it's also within your purview to approach the Attorney General (Mr. McMurtry), the Solicitor General (Mr. MacBeth) and the other members of the cabinet to suggest that the law can be changed.

Your comments about a minimum fine indicated that you thought that would lead to fewer convictions. If that is the case, then perhaps we have to look very closely at our whole judicial system. The purpose of a minimum fine, if you have it, is to make it so serious that the employer will not risk it. If the fine is not that serious then you're going to have more deaths on the job, and as you said, you've got a range from seven to 300 with employers. Obviously, then, when you're dealing with employers who are in the same field, the onus is on the employer. The employer determines, to a large extent, the way the Act is followed on the job. It is his responsibility and it's time that the courts and the ministry took that very seriously into account and said, all right, this person, if he is contravening the Act, is going to pay and he's going to pay heavily and we don't have to wait until he dies to say, all right he's been paid for his transgressions.



**Hon. B. Stephenson:** Mr. Chairman, I think that's precisely what we have been saying, in terms of increasing enforcement and the increasing level of fines. I don't disagree with you in any way.

**Mr. Wildman:** Okay, I accept that, but the point is, your comment about certain employers with the 300 frequency, if you have a volunteer giving information who has got that kind of a frequency, what on earth frequency have you got from the ones who refuse to give information? That's just completely unbelievable.

**Hon. B. Stephenson:** No, no, that isn't what Mr. Cleverdon said, that it was volunteer companies that were giving that kind of information.

**Mr. Wildman:** Obviously if they're going to volunteer—excuse me, if they're going to volunteer—they must be interested in producing a good, safe environment or they wouldn't be involved in the programme, but if you have someone who refuses to get involved, that would indicate to me less interest in safety—

**Hon. B. Stephenson:** And therefore more inspections, more charges and heavier fines, and that's precisely what happens.

**Mr. Wildman:** Good. Okay, I've made my point. We obviously can't have an inspector on the job every day. Somehow we have to improve the situation.

**Hon. B. Stephenson:** I think in some instances that I have heard about in the last four or five weeks, in some construction sites there has been an inspector on the job almost every day.

**Mr. Lupusella:** And half a million people are getting injured every year. That's what is happening.

**Hon. B. Stephenson:** But you must remember that 60 per cent of all of the injuries that proceed through our Workmen's Compensation Board require no time off on the part of the workers, so that the injuries are not, in fact, serious injuries; they are bruises and scrapes and cuts—and they shouldn't happen either, I would agree with you.

**Mr. Lupusella:** We have 6,000 widows in this province, if I don't make a mistake on statistics, whose husbands died on the job.

**Mr. Mackenzie:** Pursuing the same thing for a moment, there's something just not right here. I really don't understand the

counter-productive argument. You told us that there were 446 convictions, and an increase to \$141,294 in fines last year. If my simple arithmetic is right, that's \$316 on average for the fines, and if the fine was only \$200 or \$300 where there were three people killed, and I don't think the owner of the outfit is one of those who died, then they were fined a hell of a lot less for what, obviously, just from your description, is a serious infraction than they should have been in a case like that.

It seems to me that if you've got firms that are as high on inspections as some of them you've said and have to be inspected, or if you have a case where they're proved at fault and you have a fatality in a construction problem, then what is wrong? I want to ask the question, does the Minister of Labour have the authority to set minimum fines? I think you can very easily set certain categories where there is a fatality or where you have an inspection rate that has to go up to 50 or 60 or 70, then when they're nailed, they should be nailed with a fine that's maybe a minimum of \$10,000 to \$20,000. Something that's visible like that is going to have a heck of a lot more impact than taking your chance in court on the fines.

**Mr. R. D. Johnston:** It would be helpful, I think, if we could set aside this case that you described. I think we've discussed it fairly fully. I can't comment further, other than to say, you know, the court in its wisdom decided that a \$200 fine was adequate in a case where the firm that was being fined was essentially a one-man firm and that man was dead. It seems to me it's understandable why the court wouldn't bother to set a punitive fine in a case where the really effective fine should be levied against someone who is dead.

**Mr. Mackenzie:** Even on an overall basis—

**Mr. R. D. Johnston:** I don't think we should govern our whole programme by that case and—

**Mr. Mackenzie:** —if we have fined \$142,000 and we have had 54 fatalities last year and an average of \$316 a conviction—even if we haven't had 54, what we have paid out in benefits alone, I am sure, is a hell of a lot more than we have ever recovered from people who have been convicted of—

**Hon. B. Stephenson:** I think the significant statistics are those that Mr. Cleverdon mentioned to you regarding the first nine months of this year, in which the increase in fines

was very much larger than the figures which you mentioned for 1974.

**Mr. Mackenzie:** You mean 767 convictions and \$177,000 in fines? I think it is actually less than \$316.

**Mr. Bounsall:** The average is less.

**Mr. Mackenzie:** The average is less?

**Mr. R. D. Johnston:** Perhaps it would be helpful if Mr. Cleverdon explained the range of offences for which you can be charged under this Act. Some of them are obviously less serious than others, or some of them are cases where the employer is a repeater, in which case he would get fined more.

**Mr. Mackenzie:** There are not very many big ones if those figures are accurate ones—\$177,000 against 767 convictions.

**Mr. Cleverdon:** There is always a danger, of course, in dividing something by something else and making a conclusion. There is an obvious danger there. There is no attempt at all made in that number to give you any breakdown of the kinds of persons who are convicted or the kinds of offences for which they are convicted. It's like lumping together murder and drunk driving and that kind of thing in an analysis and getting a conclusion as to the average fine. In actual fact, two-thirds of all those convictions are workmen themselves, but the courts are quite reluctant to fine them more than \$25 or \$50 because they are quite sympathetic towards the men.

If they ask our advice—and around Toronto, in Mississauga in particular many JPs do—we recommend a minimum fine of \$200 for a workman caught not wearing a hard hat, safety boots or a safety belt, for example. We recommend for an employer, depending on the size of his work force and his general viability economically, fines of \$1,000 to \$5,000. There is one right now who tried to make a plea to bargain with our lawyers and I asked for a \$7,000 fine. He wouldn't accept it. He is going to go and try to fight us instead. So actually I think the fines today do fit the crime and the criminal, as they should do. But when you look at them together and divide—

**Mr. Mackenzie:** What is the largest fine that has been assessed?

**Mr. Cleverdon:** The largest to date for a single incident is \$6,200.

**Mr. Chairman:** Shall item 1 carry? Carried.

Item 2, industrial safety.

**Mr. Laughren:** Mr. Chairman, if there is one area in the Ministry of Labour that will show whether or not the new Minister of Labour will set a precedent for Ministers of Labour in Ontario it's the matter of industrial health and safety. Ontario's record truly is shameful, and it doesn't seem to be getting any better. We need not look beyond the asbestos or uranium workers to know that.

I think part of the problem is the fragmented nature of the responsibilities for industrial health. That is quite a serious problem. And while the Ministry of Health has indicated it would like to take that problem unto itself, that bothers me too. There has been a lot of publicity in the last year or so about industrial health; despite that, the Ministry of Health's budget for occupational health has increased from 0.4 per cent to 0.5 per cent of its budget. I don't think that indicates a very serious commitment to turning things around in Ontario for workers who work under hazardous conditions. So I am not at all impressed by the Ministry of Health. While the problems of the Ministry of Health are not your responsibility, I would point out to you that between 1969 and 1972 the Ministry of Health was aware of the very severe dangers to the health of the asbestos miners in Reeves township, which just happens to lie within the riding of Nickel Belt, and did nothing about it. So I am not very impressed by the commitment of the Minister of Health or the occupational health branch of his ministry.

I think it behoves the Ministry of Labour to ensure that all workers in Ontario, regardless of whether they happen to work in a mine or in a plant, have proper protection, which they certainly have not had in the past. [4:15]

I am not sure if the workers do come under the jurisdiction of the Ministry of Health—that it is the answer; unless increased pressure is applied to the ministry in a highly political way. I hope that the present Minister of Labour would help us in that respect—to ensure that the workers in Ontario receive a fair shake for their labour.

I don't think we know, for example, how severe the problem is; and a lot of the problems do come within the jurisdiction of this ministry. The World Health Organization says, for example, that between 75 per cent and 90 per cent of all cancer is environmentally caused. That includes smoking, of course. But, nevertheless, it indicates that there is a way to prevent cancer, at least to a large extent and that we should be moving heaven and earth to do what we can to mini-



mize the risk. There are areas of industrial enterprise where people are only just now becoming aware of what could be dangerous. It is going to take a major effort on the part of all governments, not just the Ontario government, but other jurisdictions.

The vinyl chloride industry could very well be dangerous—rubber; the woods industry—there is an indication of problems there—asbestos; roofing tars; drywalling; coke ovens—a serious problem there—textile industries, particularly the stay-pressed process for textiles. What is required, of course, is a permanent, viable programme on occupational and industrial health. Until we get that, it is going to remain fragmented, and Management Board will continue to crunch the various branches that wish to allocate a very serious portion of their resources to industrial health.

Just one example, if I might, which would indicate to you why I am rather critical of the Ministry of Health. There is now a sputum cytology programme underway for the people at Elliot Lake and for the former sintering plant workers in Sudbury. That involves—

**Mr. Mackenzie:** Not the coke ovens.

**Mr. Laughren:** —but not the coke ovens. That involves about 300 to 400 workers at Sudbury and about the same number at Elliot Lake. But there is a consensus by almost everyone in the field that it is not sufficient, that there needs to be a sputum cytology programme for all high-risk areas. Surely, we know now—the literature is abundant—about the dangers of coke ovens, which my colleague from Hamilton will probably talk about later. We know the problem there. Yet the ministry still has not indicated that there is going to be a programme for sputum cytology tests for coke-oven workers. Why not?

There are at least 2,000 workers right now in Ontario who can be immediately identified as being in high-risk areas and should have the sputum cytology programme. They don't have it and one reason, of course, is the occupational health branch of the Ministry of Health went from 0.4 per cent to 0.5 per cent which is merely keeping up with the rate of inflation. Yet they know the problems.

We had a very important conference in Toronto a couple of weeks ago with very learned papers and learned people discussing the whole problem and the literature is now available to the layman in language that he can understand. So certainly it behoves the Ministry of Labour to involve itself in the protection of the workers under its jurisdiction. Yet I see no indication that it is being treated in

a serious way. I really don't. All I hear is, "Don't worry. There is going to be a spirit of co-operation." Well, I want to tell you something. I didn't see the spirit of co-operation when that report was suppressed since July—the report the Ministry of Health in Ontario and the federal government did on the risks of living in Sudbury. If that is the kind of spirit of co-operation we are talking about, we can go back to the old days and be just as far ahead.

We from the Sudbury area have talked long and loud about the problems of the miners and, so help me, it was worse than pulling teeth to get anybody to do anything. "Fine," they said. "That's the responsibility of the Ministry of Natural Resources." That in itself is a serious problem. He has lost any right he ever had to represent workers anywhere.

The other problem that bothers us a great deal in the Sudbury area is industrial deafness. It's a serious problem. I don't know how many people there are who go through the Workmen's Compensation Board from the mining community, but it is really significant because of problems with industrial deafness.

We know that it is getting more serious all the time, and yet the facilities aren't in Sudbury to protect those workers, to test those workers properly; the facilities are in Toronto. There is no rehabilitation for deaf workers. I suppose we can get into it more when we get to the compensation board. You know how they compute compensation for deaf workers? They say that if you are completely deaf that's a 30 per cent disability. Thirty per cent! So, if you are 30 per cent deaf, that means you get about 10 per cent disability under the compensation board. That is a real joke, that a man can be totally deaf due to industrial noise and he gets a 30 per cent disability rating. That, surely, is shameful and that is the responsibility of this ministry. Surely, we can have some serious changes in that respect.

In the whole area of in-plant pollution, the ministry, like other jurisdictions, has relied upon setting threshold limit values; for example, for asbestos and so forth. But we know that setting threshold limit values does not remove the risk; it doesn't remove it at all. It lowers the risk, but it doesn't prevent the cause of the problem. We know, for example, that wearing masks can reduce the problems of asbestosis but we don't think it does reduce the cancer. We don't know that, we have no indication of that, according to the experts who know more than I do about it. There is no safe level, we know that as well. There



is no safe level for asbestos pollution; none at all.

I could ask the minister here and now—there is an asbestos mine opening up near Matachewan and I will bet you that nobody knows a bloody thing about the pollution of that mine. Right here and now, I could warrant you a bet that there is not a ministry in this government, despite several hundred men being employed there, that knows how bad the working conditions are in that mine, despite all the warnings from the past; yet it is there. We know it is there, it is a large operation—an asbestos mine—like we didn't learn enough from Reeves mine.

The other thing, of course, is the Ministry of Labour, through the Workmen's Compensation Board, is content to deal with problems that come to light. They are not pursuing the workers who worked at the Reeves mine; for example, we think there were 800 that went through there over a period of years. There is no attempt to pursue them and find them and give them proper testing; none at all. I don't think that is a job for the Ministry of Labour if the ministry really is serious about working on behalf of the work force in Ontario.

I think the fact that those conditions were allowed to occur for as long as they did in Reeves mine is the responsibility of the government, because they had documentation from 1969 which indicated that the asbestos dust was ankle deep. What more proof do you need? Yet the government did nothing about it and now won't see that because they did nothing about it they have a responsibility to pursue the workers who worked there and then left, because you don't need very much exposure to asbestos to end up with asbestosis or perhaps lung cancer. We all know there is an incubation period of 10 to 15 years.

**Hon. B. Stephenson:** Thirty years.

**Mr. Laughren:** Thirty years, so it is terribly important that we do the testing.

We know as well that sputum cytology tests don't necessarily mean that the problem can be cured; we know that. That's a disturbing part, because it indicates that we can find out sooner if someone has cancer or not or there is a spot on the lung, but maybe all it means is that the man knows a little earlier that he has the disease. That's the disturbing part of the sputum cytology tests, but it seems to me we have to work toward early detection. We are always being told that—that early detection is important in the whole prevention programme. I am not convinced

that it is, quite frankly, but I suppose that we must strive for early detection so that in case there is the possibility of curing it then at least we know; so I won't dispute that.

I would like to offer some alternatives to you, Mr. Chairman, through you to the minister. I would suggest that if we combine enforcement with incentives for cleaning up industrial pollution perhaps we can at least move some way toward minimizing the hazards. Without the enforcement of good tough legislation at least as important as that, the incentive for the employer to find substitutions for either the products he is producing or the technology he is using, and that only if we combine those two we really get to the problem and can really treat it in a serious way. Right now you can enforce it as much as you like, but it is still on economic terms, not human terms.

I think that that needs to be done away with, that we now deal with the problem in human terms, and we say: Look, there really is a balance sheet. As my colleague from Windsor-Sandwich (Mr. Burr) said in the last Parliament, when he was talking about the extraction of uranium: He said, no, he would rather light a candle than cause the death of one Elliot Lake miner, and that it is time that we started talking in human terms about industrial health rather than whether or not the company can afford to do it, whether or not the fine is large enough to scare the employers. If we do that, if we have tough enforcement and at the same time offer incentives for substitution of products or of technology, then perhaps we will get some way toward minimizing the hazards.

The other thing, of course, is that industry should be required to spend a certain amount of money on research and development in order to reduce industrial hazards, whether it be in the construction safety field or whether it be in industrial pollution. I think that is not asking too much.

There was a very interesting moment in the estimates of this ministry, I believe. Was there an amendment to the Labour Relations Act last year, Ted? There was a public hearing before it, in this room I believe. A man who represented management—I can't remember whether it was the Board of Trade or the Canadian Manufacturers' Association; CMA—it has a nice ring to it.

**Hon. B. Stephenson:** The wrong one, though.

**Mr. Laughren:** Yes. He was talking about the contribution that shareholders made to a company being greater than that made by

the workers. It wasn't until it was pointed out to him that one could really debate it at length with him as to who made the greatest contribution to Denison Mines in Elliot Lake. The shareholders received ample reward, much of it taxpayers' money for their investment. Who made the greatest contribution? They or the workers, some of whom have contracted bronchial diseases and lung cancer.

I am saying to you that it should be the responsibility of the ministry to set aside a certain portion of funds for research and development. I wouldn't get into the game of picking figures out of the air, but I don't think it is asking too much that they do that.

For example, I don't know whether you are aware of what Great Britain does. In 1974, they passed a Health and Safety at Work Act, and I have just extracted a couple of the highlights:

1. Each employer is required to produce a written statement of policy on health and safety.
2. The government establishes threshold limit values and a code of practice for each hazardous chemical that is produced or made.
3. Industry must get approval for the code of practice and handling of all toxic substances.
4. The government enforces in-plant and out-of-plant standards for all these products.

I think that that is the sort of thing that must be done in Ontario if we are going to reduce hazards.

In mining, I can't remember what body, but some body in the United States recommended that no new mine face, or rock face underground, would be approved without proper ventilation submitted by the mine to a proper ministry. And under no conditions can masks be substituted for ventilation. That's the kind of thing I think is required.

In conclusion, Mr. Chairman you have been most patient, I would like to propose, to the minister in a very positive way—in a way that I think the NDP has always tried to behave, and that's why I'm offering alternatives not just criticism. When it comes to help for the workers, I might say that the NDP has been a lonely voice in Ontario if you want to talk about political parties and their various commitments to the working people in this province—I would like to propose to you a bill of rights for working people in Ontario.

[4:30]

1. There should be one ministry given full responsibility and total authority for every single aspect of occupational health; that authority would supersede every other ministry.

2. That ministry would have responsibility for establishing levels for every hazardous substance. The basis for establishing the level will be set at the lowest acceptable threshold limit value which reputable scientists advise.

3. The ministry would be responsible for monitoring the workplace and enforcing the standards in a fashion so tough and unrelenting that every company or miner in Ontario would scramble to obey.

4. No workers would ever again have to choose between their lives and their livelihoods. No worker would ever again be subject to penalty for refusing to work in an unsafe environment. No company or mine would be permitted to work at levels of hazardous contamination. They would be directed to shut down the offending parts of the workplace, clean up and pay the workers full wages until the workplace was reopened at safe levels of emission.

5. Every ministry in Ontario and every miner in Ontario will be required to apply for a licence to introduce a new chemical or new chemical process into the workplace. The ministry would have the funds, whatever they might be, to test special chemicals in advance and to monitor their subsequent use. Never again would Ontario be faced with the present situation, which is to introduce a hazardous substance, to wait 20 years, and then count the number of people who have been affected.

6. Every group of workers exposed in the past to occupational hazards of any kind would be found, followed and provided with appropriate medical testing and given every conceivable medical support. At every step of the way, the medical findings would be shared with the workers the moment they were known.

7. Every group of workers identified as a high-risk category would be provided with continuous early detection surveys at the company's expense.

8. The results of the monitoring of all emissions at every site and every workplace will be made public by law for the workers to have at hand.

Contrast that with the Reeves mine caper.

9. Every industry and every mine in Ontario would have a representative health and safety committee composed of the workers



whose power and authority would be equal to that of management in recommending alterations to the workplace to provide safe working conditions.

I might add that my colleague from Sudbury East (Mr. Martel) has put before the Legislature at least once a private member's bill which would make that a law of Ontario.

10. Finally, the Workmen's Compensation Board would be required automatically to remove from the contaminated environment any man who shows any evidence of dangers and to retrain, relocate and pay full wages to that person in a new job so that economic hardship was never experienced.

More than that, the Workmen's Compensation Act would be altered so that the income which is received by the worker's family—the widow or the widower—would be equal to the wages which he earned on the job. No longer in our bill of rights for working people would men or women be penalized financially for the negligent period of government or industry.

That concludes my comments on industrial safety. I would very much appreciate knowing from the minister just what she sees the role of her ministry, particularly in the industrial safety branch, with protecting workers in Ontario and what steps are being taken in those potentially dangerous areas I outlined—that the scientists and the trade unions are talking about a great deal in their media?

**Hon. B. Stephenson:** I am sure that the member for Nickel Belt knows that there are 72 potential hazardous materials. I would anticipate that these would be monitored, not simply within the production end, but also if they are utilized in any kind of production.

I believe that the Ministry of Labour should use the expertise that it has, and which it will develop, in order to do the kind of job which it best can do. I would believe that the other ministries which are involved in this—and there have to be others involved—would likewise use their expertise in a co-operative programme to ensure that the workplace is as safe as it can possibly be for all workmen. That is precisely the course of action which is being taken at the moment.

As I told the member for Sudbury East the other day, an accord has been reached. You will be hearing about the programme which has been developed which will not simply monitor the workplace after the workplace has been developed, but it will

be the responsibility specifically of this ministry, for example, to examine the pre-development phase of industry and occupations which potentially could be hazardous to workmen. In addition, this ministry will continue its role in monitoring hazardous machines and in establishing certain kinds of programmes for monitoring, and will report regularly to the Ministry of Health which will have the ultimate responsibility.

I am sure you will find in the next budget that the Ministry of Health's budget for occupational health will be increased somewhat dramatically. You may object strenuously to that, I don't know. You won't? That's nice. I am sure they will be happy to hear about it. But I would think the accord will be in place by the first of next year, and the programme will be fully developed, I would hope, by March 31 of next year.

**Mr. Laughren:** In this new spirit of accord, which I anxiously await to see come to full bloom, is the minister aware of the statement that the Premier (Mr. Davis) made in Sudbury, I believe one day before election day, when he promised a rehabilitation centre for injured workers in Sudbury?

**Hon. B. Stephenson:** No, I wasn't aware of that. I was aware of the occupational health institute, which is something which is dear to my heart because in fact the occupational health division of the medical profession has been proposing this for the last 10 years.

**Mr. Laughren:** For Sudbury?

**Hon. B. Stephenson:** No, for Ontario.

**Mr. Laughren:** I see. In Sudbury, our biggest export after nickel is injured workers to Downsview.

I think there is ample evidence that what is required in Sudbury is a rehabilitation centre. Just as an example, a year or so ago the Burwash Correctional Centre was closed, and to this day sits there, virtually abandoned, about 25 miles south of Sudbury. There is an enormous gymnasium there; there must be 100 houses in Burwash, most of which I understand are empty. I haven't been there since the closing.

I asked the previous Minister of Labour if he would seriously consider a rehabilitation centre there. He indicated he would seriously consider it, but that was the end of it. I wonder if the people in your ministry, some of whom are here today, have indicated to you that that was a possibility and that it might be an excellent idea?



**Hon. B. Stephenson:** I am sure you are aware that in actual fact this is one of the responsibilities of the Workmen's Compensation Board.

**Mr. Laughren:** I know who they report to too.

**Hon. B. Stephenson:** This ministry could certainly discuss this with the Workmen's Compensation Board, and I will be pleased to do so.

**Mr. Laughren:** Would it be in order to direct a question to the deputy minister, Mr. Chairman? I am sure the deputy minister recalls the several requests to the Minister of Labour that serious consideration be given to Burwash.

**Mr. R. D. Johnston:** To be honest with you, I don't, but I will comment on it because, as you know, I was one of three members of the task force that reviewed the administration of the Workmen's Compensation Board. One of the things we looked at was the deployment of what might be called the physical or medical rehabilitation services.

As some of your constituents certainly will have told you, there are advantages and disadvantages to having specialized occupational rehabilitation centres. Lots of workers would prefer to be looked after in their own community rather than coming to Toronto. We hear complaints even in Downsview, let alone Burwash, that the thing is isolated, that the people who are there want to get out on the weekends or even in the evenings, because they are not all totally unable to get about—although some of them are during the time they are there.

I am not sure of the current usage—and you may want to ask that on Nov. 26—but at the time of the task force report we felt that the Downsview facility, if anything, was a bit under-utilized. One of the reasons was that people, where they could, preferred to be looked after in the hospitals in their own communities. As a matter of fact, you may recall that one of the recommendations we made was that the surplus capacity of the Downsview facility should be made available to people with injuries that weren't occupationally based, as long as that surplus was there and some funding arrangement could be worked out. So having several more Downsviews around the province is not necessarily the answer, but I think you should raise this with the WCB. I'm sure they've given it some thought.

**Mr. Laughren:** I hate to raise a red herring but there should be such a facility in

Burwash or someplace else in the Sudbury area. There should be one in the Sudbury area, is what I'm saying. It wouldn't replace Downsview in total. It would merely deal with the more common problems of rehabilitation of workers in northern Ontario. I am not suggesting for a minute that all the specialized expertise at Downsview be shipped up to the mid-north.

**Mr. R. D. Johnston:** I wasn't suggesting that either. What I was suggesting is that it may be better to develop whatever facilities do exist in the local general hospitals for occupational rehabilitation rather than having a separate institution.

**Mr. Laughren:** But we haven't even had that assurance. And also it occurs to me that if Downsview is under-utilized there would be nothing wrong with going into the whole industrial health experimentation and so forth at Downsview in co-operation with the Ministry of Health.

**Mr. R. D. Johnston:** I don't know whether that is still the case. It was two years ago.

**Hon. B. Stephenson:** The utilization has increased reasonably within the past few years and the entire range of rehabilitation activities has been stepped up as well in terms of physical/occupational and retraining programmes.

**Mr. Laughren:** We won't get into the Workmen's Compensation Board. We are very concerned about the board but we will hold that.

**Hon. B. Stephenson:** If I might just mention it, I am aware of the problem of hearing loss which Sudbury workers have been suffering but there are many other workers in other parts of Ontario who are under the same kind of hazard.

**Mr. Laughren:** Not in the same numbers as Sudbury.

**Hon. B. Stephenson:** I would disagree with you.

**Mr. Laughren:** No, I challenge you on that.

**Hon. B. Stephenson:** Yes, that's right. I think that you may make a special brief for Sudbury on this specific area but this is an area of medical problem where we are just beginning to learn precisely what noise can do and people are developing standards, first, for assessment of loss which is difficult to establish and, secondly, for establish-

ment of the levels of loss because they may vary. Sometime when we have a little time I'll tell you an interesting story about a textile plant in Peking, China that I visited and let you know what their experiences were.

**Mr. Laughren:** Just one other question if I might, I am a little slow on the uptake perhaps but I don't understand the relationship that you describe between the Ministry of Labour and the Ministry of Health on industrial safety.

**Hon. B. Stephenson:** The entire plan of the accord will be available to you within a relatively short period of time. The accord does in fact delineate the areas of specific responsibility for the five ministries involved in this and leaves the establishment of the standards to the Ministry of Health where that expertise resides. It also leaves within the Ministry of Health the responsibility for ensuring that all of the legal implications of the standards which are developed are carried out and that the total occupational health of workers is the overall concern of the five ministries involved in developing the accord.

**Mr. Laughren:** Why don't you form a separate ministry and be done with it? Tell me, is an accord anything like a manifesto?

**Hon. B. Stephenson:** I don't know which manifesto you are talking about.

**Mr. Laughren:** Just in general.

**Mr. Bounsall:** Are the enforcement of the standards so set and the monitoring of them still left with the Ministry of Labour under this accord?

**Hon. B. Stephenson:** Yes.

**Mr. Bounsall:** That's where I firmly believe it should be. Just another couple of quick questions on it. What inspectors do you have, if any, that are in the health hazard recognition field or have health hazard recognition skills? Presumably you don't really have any now? You refer to the 1972 toxic chemicals and so on and that their enforcement and monitoring are being left to the Ministry of Labour. Do you have any inspectors that have this sort of health hazard recognition skill which is going to be required under this accord programme?

**Hon. B. Stephenson:** We have some. We will need more.

[4:45]

**Mr. R. D. Johnston:** It is anticipated under this new distribution of responsibilities that we will have a greater proportion who are sort of specialized in that area and we hope to recruit people who have taken special training at Ryerson and such places to do what you're suggesting. Until now, we have had inspectors who could at least identify a problem in that area but the real sort of monitoring work and sampling was left to Health. That part of it will be with us in future.

**Mr. Bounsall:** That will come over? So you will be hiring people in the very near future with expertise in this area? Are there funds in the budget to hire people with that expertise? The accord is going to be announced—

**Hon. B. Stephenson:** Not in this budget.

**Mr. Bounsall:** The accord is going to be announced. The monitoring and inspection is going to be done by this ministry. Do we have to wait until next year's budget for these people to be hired?

**Mr. R. D. Johnston:** We have requested extra resources and complement for this purpose. We don't know yet whether or not we are going to get it. Presumably, if any of this is to start before the end of the fiscal year, we will have to get a special allocation to cover that.

**Mr. Bounsall:** You will get the allocation with no problem from the House, I am sure. There will be no opposition to that. I would hope you would press very strongly for that. You will be bombarded with questions in the House about this as well if this accord is announced and we can't see the delivery of it starting rather soon. How about monitoring equipment? Do you have lots of that hanging around for this purpose? I don't suppose you have. What monitoring equipment do you have for the 72 different substances which you are talking about?

**Hon. B. Stephenson:** For some of them, as you very well know, there is no monitoring equipment at all because it has not as yet been devised. There are 72 chemical compounds which have been established by certain scientists as those which may potentially be of high risk to human health.

**Mr. Bounsall:** Will the purchasing of that monitoring equipment be within the Ministry of Labour?

**Hon. B. Stephenson:** Some of it will have to be. Actually, the monitoring equipment or, we would hope, some of it, would be within the construction costs of certain of the plants

which are going to be built and which may involve the use of some of these hazards.

**Mr. Bounsall:** Will you be involved in grants involving research and development on monitoring equipment?

**Hon. B. Stephenson:** I would think that would be a natural outcome of the activity.

**Mr. Bounsall:** We encourage that funding to start before the end of the fiscal year, too.

**Hon. B. Stephenson:** Would you like to give us some of the party funds for that?

**Mr. Laughren:** You could keep your party's government alive forever yourself if you dealt seriously with occupational and industrial health.

**Hon. B. Stephenson:** As I have said before, this is one of my specific concerns.

**Mr. Mackenzie:** Just one or two questions or comments with regard to this. I think I may have got part of an answer from the minister in the expected increase in the budget for these items in the coming year. Without wanting to dwell for any length of time on what has gone on in the past why, in heaven's name, given what we have known in the last two or three years even about some of the problems we are facing in industry, have we got a budget which is so much smaller if you look at it in terms of the overall number of employed and industrial safety. It is so much smaller even than the construction budget. It is just beyond me.

**Hon. B. Stephenson:** I can't answer that. I am sorry.

**Mr. Mackenzie:** What do you do in a case of one of the things we are trying to raise today—or does it come under the safety budget? I am thinking of the coke oven workers again now and the desire or at least the feeling we have very strongly that in terms of x-rays alone, they should have both frontal and back x-rays rather than just frontal x-rays as they get when they are sent out on this surveillance programme going on at Stelco at the moment. Would that be part of the industrial safety department's role to suggest this kind of an inspection of the workers who are involved there?

**Hon. B. Stephenson:** We could certainly make suggestions about the medical monitoring which should go on. This will be the responsibility of the Ministry of Health. I think you mean AP and lateral film.

**Mr. Mackenzie:** What about the reference to one of the new mines? There is the reopening of the mine at Bancroft, the Faraday mine at the new Madawaska mine, I think. What kind of information or warning are we giving to the people who will be employed there? The last I heard, a matter of weeks ago, there were about 35 in it, I think. They were just in the process of reopening it. In light of what we now know about the uranium mines, will there be any programme in advance, warning the workers of what they are getting into in that particular mine?

**Hon. B. Stephenson:** I would think there would certainly be some advance, promoted by the Ministry of Natural Resources which has the responsibility for that.

**Mr. Mackenzie:** Okay. The question, once again, of how we monitor or look at it. I'm not at all sure what the company would tell you but I know, in talking to our own safety and health committees in 1905, the big steel local in Hamilton, and in talking to workers at Dofasco where they are not organized, that one of the real concerns in the coke oven situation there is what the employees see as the company's attitude. In the case of Dofasco, it's almost a joke. The joke is that they'll work you for X years on the coke ovens and then they'll transfer you to some labouring or janitor's job. And if five or six years later symptoms develop, you are a janitor and the fact that you worked in the coke ovens doesn't have anything to do with it. The attitude, generally, of the company seems to be that it is not a problem and they don't accept it as a problem. Without the additional monitoring of safety and health committees in that plant, I am just wondering how we tackle this kind of problem. This is going on, this kind of transfer of employees. This is a major plant with 7,000 or 8,000 people in there—

**Mr. Cleverdon:** If I could comment briefly, I have been looking after this branch for only six weeks. I am fairly new; I had to get on top of a lot of background data in a hurry. But there are three coke oven situations that we know of right now—Dofasco and Stelco in Hamilton and Algoma in the Soo. All three have been looked into very carefully by our local people with the help of the occupational health protection branch. They are the experts. They monitor the conditions and it is a very extensive investment being planned now to correct the condition in all three plants. I have heard figures of \$13 million quoted in one of those three plants for the cost of the equipment required to control that particular emission.



**Mr. Mackenzie:** Do you know whether or not threshold limits have been set in the coke ovens as yet? I get conflicting stories on it.

**Mr. Cleverdon:** I wouldn't want to say for sure. I believe so, but I am not sure.

**Mr. Mackenzie:** I know that the union safety committees do not know of them. Just today I was instructed to try and find out if such limits had been set in these plants.

**Mr. Cleverdon:** We have been getting absolutely fantastic cooperation with that health branch in the last months in our investigation. There has been very good cooperation with them.

**Mr. Mackenzie:** Okay. The only other area at the moment is the question of deafness, which we have dealt with. I think the programme outlined by my colleague here is a good one. It is a positive one. People want to place haloes on that; fine and dandy, but at least it is a positive programme. I would disagree with them in one area only. We are just beginning to think that the question of deafness or the question of industrial noise, due to what is happening in some of the rolling mills and some of the steel mills, may be the part of the iceberg that is hidden. I think it is an area that the department is going to have to spend a lot of time and a lot of effort on pretty quickly.

**Hon. B. Stephenson:** I hope that you are aware of the fact that the whole deafness problem did not arise as a result of industrial examination. It arose as a result of veterans examinations after the Second World War. As a result of this kind of investigation, they began to look at noise levels within plants as well.

**Mr. Mackenzie:** We have just begun to realize we have problems with our members in this area and we didn't—

**Hon. B. Stephenson:** Well, you are not alone.

**Mr. Chairman:** Mr. Newman.

**Mr. B. Newman:** I wanted to ask the minister if there are courses being set up for her inspectors in relation to occupational health hazards. Are they being kept up to date with the latest trends so that we minimize the health hazard to the workers?

**Mr. Cleverdon:** I could talk on that point. First of all, in the industrial safety scene, they had an operations manual in two parts. Part 2 contains a great deal of data from the

health protection branch on common toxic substances in the industrial scene and what to do about, for example, asbestos. That is one good example. There are quite a few more as well. That is one point. Secondly, almost all the staff have already had some kind of training from the health protection branch in health hazards, the common kind. Thirdly, they are warned what to look out for if they aren't too sure. A new product, for example, covered by section 81 of the regulation right now. If they find a chemical in the plant and they don't know about it and they get a name and it doesn't say what to do about it, they probably contact their manager who contacts Toronto for an answer from health protection on what it contains. They pick up a sample, take it to the lab and get it analysed and usually have the answer back in two or three days.

**Mr. B. Newman:** Then are courses conducted to inform or familiarize the employee, for example the health safety committee man, in any given industry so that he also could be aware of some of these health hazards?

**Mr. Cleverdon:** I am not quite sure about that one. I think where we have a plant safety committee, the answer is likely yes, because we do work with these committees. Where we don't, of course we wouldn't have.

**Mr. B. Newman:** Then I want to ask the minister if she has any comments concerning the fire at the Chrysler plant yesterday as to whether there was any danger to employees from the inhalation of fumes from some of the foams that caught fire.

**Hon. B. Stephenson:** There is an immediate danger from flaming foams, yes. The immediate danger is removed as soon as the individual is removed from the atmosphere.

**Mr. B. Newman:** What has the ministry done to see that there won't be a recurrence of this, that is the storage of this equipment in a place where it could readily catch fire?

**Hon. B. Stephenson:** As a matter of fact, I hadn't heard there was a fire at the Chrysler plant yesterday, but I shall investigate this to find out what's going on and what we can do about it.

**Mr. B. Newman:** I would appreciate that. I want to ask also if the minister is aware of the unsafe working conditions—according to Charlie Brooks, who is the president of Local 444 of the UAW—in the Chrysler plant. He made mention in an interview that the Chrysler Canada Ltd. Windsor engine plant

is a fire hazard "which could go up like a matchbox."

**Hon. B. Stephenson:** Is that so?

**Mr. Cleverdon:** It is news to me.

**Mr. R. D. Johnston:** As far as the fire yesterday goes, that is under investigation; we'll get a report on it, but we don't have it yet. As far as Mr. Brooks is concerned, he sees us from time to time and alerts us to various matters of concern.

**Mr. B. Newman:** It does disturb me that a quote like that would be made, because if it is such a hazard then someone has been lax somewhere, and I would assume it would be the minister.

**Hon. B. Stephenson:** I would assume that if Mr. Brooks is in contact with the ministry from time to time on a regular basis, if there was a great fire hazard in the Chrysler plant, he would have mentioned it already. Did he?

**Mr. Cleverdon:** He hasn't to my knowledge, but the administrator for that part of Ontario, is here with us right now; he will have some person there tomorrow morning to look into that matter for you; so that will be taken care of.

**Mr. B. Newman:** All right, I would appreciate that. Next, I want to ask the minister if standards are being set by her ministry for noise levels?

**Hon. B. Stephenson:** Not by our ministry. They are being set by the occupational health protection branch of the Ministry of Health.

**Mr. B. Newman:** The problem of deafness is one that I can recall having been raised in the House well over 15 years ago. If I'm not mistaken, an MP from one of the northern Ontario ridings, a fellow by the name of Hamel raised the matter in the federal House and attempted to get workmen's compensation to recognize noise as a health hazard. We seem to be very slow in recognizing this.

For example, in walking up the sidewalk this morning I noticed the fellow who was riding a mower and cutting the grass in front of these buildings, and I don't know how he could possibly ride that mower, day after day, and not have some harmful effect to his own hearing.

**Mr. Laughren:** But it's compensable.

**Hon. B. Stephenson:** Of course it is.

**Mr. B. Newman:** It's possible?

**Hon. B. Stephenson:** No, it is compensable. The Workmen's Compensation Board does compensate for industrial deafness.

**Mr. B. Newman:** I don't think we should compensate. I think we should eliminate that possibility, rather than compensate. As a matter of fact, after he gets—

**Hon. B. Stephenson:** There are noise levels for certain machines, as you know. There are noise levels for snowmobiles, for goodness' sake, which have been developed and which the manufacturers are beginning to comply with. But one of the problems of industrial noise is the protection of the workers' hearing in those areas in which it is impossible to reduce the noise level to an acceptable level. [5:00]

The story I was going to tell you about was this: In China, in one very large textile plant, the workers—and this was a huge plant in which the loom room measured five acres in size—the noise was absolutely deafening and it was impossible to stay within the room for longer than two minutes without having a screeching feeling in your head. The workers were all in there totally unprotected. Apparently some kind of protection device had been issued to the workers and the workers refused to wear it.

This is apparently a problem which has occurred in certain areas of this province, where, in fact, hearing protection devices have been given to workers to try to help them to protect their hearing and in many instances they simply refuse to wear them. They are cumbersome, they are clumsy, and we don't have any nice small devices as yet, but the researchers are working on that at the moment. It is not simply a matter of knowing what the levels are and ensuring that the levels are reduced to the absolute minimum. It also requires worker participation and co-operation in the programme.

**Mr. Laughren:** The conclusion one could draw is that neither communism nor capitalism is the answer, but socialism probably is.

**Hon. B. Stephenson:** Neither one has all the answers, believe me.

**Mr. B. Newman:** Are there temperature limits under which an individual cannot work?

**Hon. B. Stephenson:** Yes. There are minimum standards.

**Mr. B. Newman:** What are they generally in the industrial field?

**Mr. Cleverdon:** It is laid down by a law in construction safety on compressed air projects only at 80 deg—

**Mr. B. Newman:** I am not referring to construction, I am referring to the auto industry now, because I have received complaints, and I have received them year after year, from individuals working in the Chrysler plant, where they have had to work at temperatures as high as 120 deg with the relative humidity being extremely high. You know yourself it's impossible for an individual to work for any length of time without suffering after some fashion from working—

**Hon. B. Stephenson:** Have these temperatures been reported to anyone other than you?

**Mr. B. Newman:** I would say yes, but apparently nothing has been done about it. It's in the engine plant at the Chrysler company, and this is during the summer months, when it is hotter than the dickens outside and the fellows still have to work in the plant. I would think that there would be limits in there. The temperature in one part of the building might be fairly normal but the temperature in an area around the machines where quite a few individuals are working would be extremely high and beyond the limits, I would assume, of human tolerance. Is there anything being done to eliminate conditions like that?

**Mr. R. D. Johnston:** You are talking about maximum heat rather than minimum heat, I take it?

**Mr. B. Newman:** That's right.

**Mr. R. D. Johnston:** There isn't a fixed standard. As you know, in any building there could be a day or two or three in the year when, after a succession of hot humid days, it can get pretty awful inside. You can't really expect people to design their buildings so that they are going to be perfect every day of the year, including those two or three days. The Act does say that in enclosed work spaces the temperature should be suitable for the type of work performed. We do get complaints in some of these very hot spells from employees who say they have complained to their employers that the heat is impossible and that they ought to be let off early that day or whatever. We quite often intercede in those circumstances and very often the employer then decides to close for the balance of the day. But it is a difficult thing to make a kind of universal rule about, for all

different types of environments and industries.

**Mr. B. Newman:** Do you have humidity limits too?

**Mr. R. D. Johnston:** No.

**Mr. B. Newman:** Are there needs for humidity limits?

**Mr. R. D. Johnston:** If you were going to have a limit, you would have to deal with them together. That's the basis of the humidity concept that one hears on the radio.

**Mr. Chairman:** Shall item 2 carry? Mr. Bounsall.

**Mr. Bounsall:** Yes, I think Mr. Mackenzie again highlighted the point about this need for joint management-labour safety committees. In the Dofasco plant, a plant that is not organized, you would have some obvious problems coming up with respect to how they treat their workers after they have been on a certain site, such as the coke oven situation. We have brought this up three or four times to you in these estimates, where you seem quite reluctant to say there should be joint labour-management safety committees, and I think you should really seriously consider that. If you are going to say it is going to be announced next week along with the package, fine.

**Hon. B. Stephenson:** I don't think we are reluctant to say there should be joint committees at all. We've been saying it very vigorously for several years.

**Mr. Bounsall:** By saying that—you know this as well as I do—as long as you just say it and not make it mandatory, there are going to be working places in this province that aren't going to set them up. There's going to be no real incentive for them to do so. You're going to have working places in which there are no safety committees. If it's an unorganized workplace, there will be no easy means of communicating with the management of the company on what is an unsafe condition. Unless you really take some very strong action, that there must be in every plant over a certain size—over five employees—a labour-management safety committee formed, you're just going to have workplace after workplace without them. Or they won't take the problems seriously enough. You may have some discussion on a one-to-one basis between an employer and an employee, or management and an employee, about the particular safety of a location. But you're just not going to have the



sort of overall look and concern by a committee talking on a regular basis and with that committee empowered to make recommendations and have those recommendations treated seriously.

If you don't have that you're still in a very unsafe situation. You can have your various safety committees of the Labour Safety Council and the Workmen's Compensation Board, as well as yourselves, recommending all over the place that this occur. But there are still going to be a fair number of places where there's no effective communication between the worker and management. I don't see what your reluctance is. You don't even have to set a minimum fine. Let the courts decide the minimum fine for non-compliance. I don't really see the basis of your reluctance.

**Mr. R. D. Johnston:** I wasn't here the other day when you raised this, so I don't know whether this was mentioned. This has in the last several months been a matter of concern to the Labour Safety Council, growing out of the realization that other things are happening in this field, with the new distribution of responsibilities between the ministries and with changes that have been made in other jurisdictions, particularly out west.

We've had a couple of fairly lengthy discussions, not just about plant safety committees and whether they should be compulsory or voluntary, but about the larger issue of worker participation in safety enforcement and accident prevention. A committee of that council has now been established to examine this again.

I say again, because I know it has come up in the past, we'll visit those jurisdictions that now have plant-safety committees on a compulsory basis to see whether anybody is able to conclude whether they've really been effective or not in lowering accident rates or improving communication. We're expecting to hear back from that committee early in the new year, and a report will be made to the minister on their findings.

**Mr. Bounsall:** Yes. At the same time, I think you've got to ensure in this type of mechanism some means by which they simply don't just report that nothing happens. You've got to ensure that any recommendations from such a committee is treated and answered. That has to be inherent. That may be one of the problems they turn up. I can well imagine that it is. You can have that committee, but if the recommendations of that committee are not treated seriously, or some reply is not forthcoming, then it's just so much action on their part.

**Mr. R. D. Johnston:** That is part of the argument that one hears, rightly or wrongly, from those people who still say that they should operate on a voluntary basis; who say that unless there's some kind of genuine commitment in advance, they aren't going to work as effectively, compared to the situation in which they may be compulsory but where there's really no genuine commitment to them by one or other of the parties. I'm not prejudging it. Frankly, I've an open mind on whether they should be compulsory or not. But there are many people who feel they're more effective on a voluntary basis. Certainly the ministry and the safety associations are encouraging in-plant safety committees, and there are lots of them around.

**Mr. Bounsall:** To answer the argument, how can they be effective on a voluntary basis, if you have nothing to force a particular employer to establish them? If he refuses to do so, then you are not even talking about a programme as to whether or not it's effective.

Secondly, if management voluntarily decides it's a good thing and wants to have them, I can see it is going to pay attention to it. Management can also voluntarily go into the programme with an idea beforehand that it is just going to go through the motions by giving and paying lip service to labour safety committees with no intention of taking very seriously any suggestions that come forward. That can also take place. Not only do you have to have the component of making them compulsory so that you get them formed and into the workplaces across the province under those same regulations, but you have to have some means by which a response is made to the recommendations from that committee.

You can have them quite voluntarily set up by management but if they don't intend at the time they set them up to take them seriously, then you've got that problem. I would think there are some voluntary committees being set up that are just going through the motions and all you have is a bunch of activity at the lower levels. People are convinced that changes need to be made and are making recommendations to that effect but nothing happens. If that goes on for a couple of years, then you can well see that those safety committees become quite moribund and don't work.

In my own experience, there has always been a labour committee within the chemistry department at the university where I worked because of potential explosive hazards and everything else there, and not just toxicity.

It was a joint student-professor committee that kept its eye on this. To the students it was a real joke, because no matter what they said or did, changes didn't get made until the university took it seriously and appointed a safety officer for the university to which committees like that reported while he reported directly to the vice-president. Then you saw some changes being made in line with the recommendations that were being made.

But you had to have that commitment by the employer that he is going to take it seriously. You can have them under law, but you certainly have to have them taken seriously and have at least some written response by management to the problems brought forward.

**Hon. B. Stephenson:** The workman presently has recourse, however, if he functions within a voluntary committee and feels that he's not getting anywhere with management, and so does the group of workmen in the committee because they can always report to the ministry and lay their complaint at the ministry's door, which has a responsibility then to investigate the situation and to give directions.

**Mr. Bounsall:** That brings forth another point. Is the same safety committee again looking at the problems you have with the Industrial Safety Act, which says that if a worker feels that a machine or the workplace is unsafe, he can refuse to work and can stay off that job? He can then report to a safe place. Further on in the same Act, it says the employer can't discharge or discipline that employee because he sought the protection of the Act.

We've gone over this story before. What happens is that the employer comes down and looks at the place and says it's safe and orders the workman back. The workman still feels it's unsafe and says he won't go. He feels he has the protection of the Act and that he can't be discharged. So he's discharged through suspension procedure. He's simply suspended because he's found to be not co-operating on that particular day. If it's an organized plant you have to go through the whole costly grievance arbitration procedure to get the person back his employment when he felt he had the protection of the Act.

[5:15]

We've suggested before if that occurs, where you've got the impasse, where the worker feels the place of employment isn't safe and has stopped work and notified his supervisors because of the unsafe positions

that he is in, if he is ordered back, there at least should be on-the-spot written reasons presented by the management as to why it's safe to return to that location; why the management feels it's safe, with that presented the same day or the next day to the industrial safety inspectors who are in the area so that they know it. They are right there the same day or the next day after the dispute and can see management reasons as to why they deem that machine to be unsafe.

There are examples. There was one at Stelco, I believe, a couple of years ago, the famous one that went all through the stages of arbitration—quite costly—in which there was a real problem. The person replacing him lost some fingers in that same location. I would hope that you're considering some changes to the Act so that if a worker is ordered back to work after he sought the protection of the Act and is then suspended when he refuses to go back because he is still nervous about the situation, that there be another means to handle it; that there be a response right on the spot by management as to why they feel it's safe. Is there some action in this area?

**Mr. R. D. Johnston:** I would honestly say there isn't. What I told you a year ago is essentially unchanged. That was discussed at length in the Labour Safety Council the year before last. We were going to make changes something like what you've suggested. Not completely, but in the direction of a written instruction having to be given by a supervisor when he orders someone back to work. There was a difference of opinion within the trade union movement about whether that was really the answer, and we were subsequently urged not to change the Act. That's where it rests at this moment and, frankly, we haven't heard that much about it in the last year.

**Mr. Bounsall:** That's one of the few times when you seem to have taken the advice of trade unions, isn't it?

**Mr. R. D. Johnston:** I wouldn't agree with that.

**Mr. Bounsall:** I'm going to let you off the hook.

**Mr. Cleverdon:** Those sections, actually, are working quite well. Granted, it's hard to get a conviction. I'll admit that because we have two right now before the courts, one in construction and one in industrial. In both cases, the stories are being changed from the first investigation to the trial date. We have to rely entirely upon the stories told to us by the



fellow workers to get a conviction. We know that. We lost a case last year in construction because of the story at the trial. They were convicted for the offence, the unlawful scaffold, but not for the man being fired for not working on it.

But if they weren't in the Act how many employers would ignore that duty completely? It exists in the law right now and most employers are responsible people. It is quite clear that you cannot illegally fire a man under both Acts right now and most people obey the law in this province. The mere existence, in my opinion, of those sections in the law, puts on responsible employers, who are the vast majority, a duty, spelled out very clearly, not to discharge for seeking compliance with the Act and the regulation.

**Mr. Bounsall:** Yes, but you get to the point, of course, where the management says: "Look, in our opinion, this is safe," and orders the employee back. If the employee doesn't go back then he is suspended.

**Mr. Cleverdon:** May I comment there? We are trying our very best. It's a long hard job to do, I realize that, to get those employees in that situation to ask for an inspection by one of our staff to confirm who is right in the dispute. If that's asked for we will do it almost immediately, or very quickly afterwards.

**Mr. Laughren:** After they go back to work?

**Mr. Cleverdon:** In construction—I can speak better there as you realize—we are encouraging them to actually first of all go to their employer or the boss on the job and complain. If they get no satisfaction, if they're unionized they should call their union office and ask the union agent to come down and help them out. If they get no satisfaction, then they should involve our branch directly and we'll go out there and look at it.

**Mr. Mancini:** Yes, but they did involve your branch more than 18 months ago and they're still waiting.

**Mr. Cleverdon:** What situation is this?

**Mr. Mancini:** The construction association in Windsor.

**Mr. Cleverdon:** Now we're back to a different matter entirely.

**Mr. Mackenzie:** I think one of the problems you've got and we've got, I know, in the labour movement, is the question of credibility. We obviously take our position on it but, very frankly, in this area we've just been covering, until we sign the new contracts in

some of our basic steel plants and some of the Sudbury operations and put some teeth in the contract in terms of what a worker could do and whether or not he worked in an unsafe job, the guys in the plants, literally, and in the mines and mills didn't have very much confidence. They were nailed. They were the ones who were going to have to fight through months of grievance procedures with no money coming in to establish that they had that right.

It's a serious problem of credibility. We've got it too. We have this coke oven situation in Hamilton and we would like to see some mandatory tests in all of them.

A lot of the workers say, "No, that is an invasion of our privacy." But the facts are that when you get talking to them there is a real level of insecurity and fear. They don't feel that there is very much offered to them in the way of an alternative or in the way of any security, or they can finish bringing up their kids and get them through school.

It's almost the same thing in the safety committees. We really couldn't rely, with all due respect, on the safety department. We had to write in provisions in the contract to protect them before we could get the guys to start raising the issues in the mills and mines. One of the big things we are going to have to overcome is that there is some protection for the guys; that the safety and health deal is going to mean something. A guy is not going to perform in what he thinks is an unsafe job. Only a few contracts have that protection. And if the worker hasn't got that kind of coverage from the ministry, then safety committees are not going to function.

**Mr. Cleverdon:** I have made it very clear to my line managers in both branches that they are to take all complaints from all sources seriously and to investigate them as soon as possible—the next day normally; the same day quite often, because they usually are serious complaints. There are very few that are non-valid when checked out. And we can bring our expertise into the whole matter and know how to establish who is right, the employee or the employer, in a dispute of that kind. We want to do that, but they have to ask our help first.

**Mr. Mancini:** One more question, Mr. Chairman. Maybe I should have raised this earlier, but on page 29 of the annual report we have here it says the council staff attended numerous conferences related to safety health, etc.; and then it gives no indication of one



conference that was attended. Could we be a little more self-explanatory so that we—

**Mr. R. D. Johnston:** Mr. Jones is here. He could reel off lists of conferences he's been at for several minutes—

**Mr. Mancini:** Maybe he could tell us the cost and what we got back for the cost. What knowledge was gained and was any of it used?

**Mr. R. D. Johnston:** I don't think we have done a cost benefit analysis on it, but I am sure Mr. Jones will tell you why he goes to these conferences and what he and the council get out of it.

**Mr. Chairman:** I am just wondering—what page were you referring to?

**Hon. B. Stephenson:** Page 29 in the green book, the Labour Safety Council report.

**Mr. Mancini:** Is that under this vote, that green book?

**Hon. B. Stephenson:** No, it is not.

**Mr. Jones:** That, of course, goes back to the question of the vote on the Labour Safety Council. The council and its staff have the responsibility to try and keep up to date on what is going on in the occupational safety and health field. Therefore, with the approval of the deputy minister, who is also chairman of the council, I do attend various conferences on occupational safety and health for the purpose of trying to determine what, if anything, is coming out from the speakers and new evidence that I can then place before the council for the purposes of making recommendations to improve occupational safety and health in this province.

I attended the Human Factor Society meeting in Dallas, Tex., a few weeks ago. Part of the reason for that involves the fact that we have been trying for several years to get approval to hire a human factors consultant, and I wanted to feel out the people down there as to what was available, what was the pay, and so on down the line; as well as learning what new things were coming out. Similarly, we are active with the Canada Safety Council and the National Safety Council, both in putting in our input and trying to bring information back that will be helpful to the council. Now, does this answer your question, sir?

**Mr. Mancini:** That was just one example. I thought you would give me two or three—but if we don't have time, that's fine.

**Mr. Jones:** Is that adequate then?

**Mr. Germa:** Mr. Chairman, can I complain about the terminology in this paragraph? The average person just couldn't decipher it. I don't know who wrote this but—

**Mr. Chairman:** Mr. Germa, are you on vote—

**Mr. Germa:** I am following on what Mr. Mancini raised. I will read this sentence. It says:

Council member K. A. Valentine of the United Steelworkers of America attended the Bucharest international symposium on practical application of ergonomics. Ergonomics is a multidisciplinary approach to solving the problems of the man-machine interface.

**Mr. R. D. Johnston:** Mr. Valentine understands it. He will be glad to know and he will be glad to explain it to you.

**Mr. Germa:** Did Mr. Valentine write this? I doubt it very much. I know Mr. Valentine and he doesn't write like that. You don't know what you are talking about. What is the purpose of putting stuff like that out for general consumption?

**Mr. Laughren:** Good question.

**Mr. R. D. Johnston:** We will leave it out next time.

**Mr. Germa:** No, I ask you not to leave it out. Write it in a language that someone other than Mr. Bounsall—

**Mr. R. D. Johnston:** There is no way of explaining ergonomics other than going into it at greater length. We might have been better not to have given any explanation. But that happened to be the name of the conference and we anticipated that anyone reading it would wonder what ergonomics was. An attempt was made to explain it.

**Mr. Germa:** I am pleased you are worried about ergonomics. It's a multidisciplinary approach to the solving of problems of the man-machine interface, whatever that might be too.

**Mr. R. D. Johnston:** Do you really want me to answer it?

**Hon. B. Stephenson:** Do you want me to?

**Mr. Germa:** I'm just asking for a little less legalese in the report.

**Mr. Chairman:** Shall item 2 carry? Item 2 carried.

Vote 2102 agreed to.

On vote 2103:

**Mr. Chairman:** Industrial relations programmes.

**Mr. Bounsall:** Mr. Chairman, may I suggest on this one that we move directly to items 2, 3 and 4, taken separately of course, and pass item 1, bearing in mind the 6 o'clock closing of tomorrow? Under item 1 we can talk generally, but under the next three items we could talk specifically about the areas. That's one way to proceed, if that's agreeable?

**Mr. R. D. Johnston:** Deal with them one at a time though?

**Mr. Bounsall:** Oh, yes.

**Mr. Mancini:** Mr. Bounsall, maybe we could limit the questions on this so we can get into labour—

**Mr. R. D. Johnston:** Mr. Armstrong is here if we get to the next vote.

**Mr. Chairman:** All right then, I will call for discussion on item 1 of vote 2103. Shall item 1 carry? Item 1 agreed to. On item 2.

**Mr. Bounsall:** I have one general question on the whole area of conciliation and mediation services, and that is following on some of the comments which the minister made at the beginning of the estimates. That is, with relationship to the wage and price control situation. We have been told that in your very tough position as conciliators and mediators, Mr. Dickie, that—I might not quote you directly but you've been asked to say to the parties to keep in mind the wage restrictions which are being imposed or to point out the fact that these have been imposed. Just how are you handling this?

**Hon. B. Stephenson:** Before you answer, may I say that the member's interpretation of what I said is completely erroneous.

**Mr. Bounsall:** Okay, say it again.

**Hon. B. Stephenson:** I said that because we felt that the mediation and conciliation service must be kept intact—must not in any way be destroyed or disturbed by the Anti-Inflation Board—we did not expect our mediators and conciliators to act as missionaries for the Anti-Inflation Board. Their role was to bring positive factual information, as well as they could, to both parties, to mediation and conciliation, and to remind them that

this did in fact exist. But they were not to be advocates for the Anti-Inflation Board.

**Mr. Mackenzie:** The dice are all loaded, no matter what.

**Mr. Bounsall:** How are you proceeding in this difficult situation? You must have instances of a party sitting back and saying "Look we've got these wage controls imposed on us." They may be beyond the time where they would be considered even for an exemption. It might even be that management's last offer prior to Thanksgiving was higher than the maximum 12 per cent that it looks like they would be allowed. Just how are you proceeding in mediation in this sort of situation?

**Mr. Dickie:** In the latter question, that of where they had been almost in agreement prior to the 14th, in many cases they have completed their agreements with the guideline of 10 or 12 per cent and then have applied jointly to the board for permission to go ahead with the balance. This has occurred quite frequently, because we had a lot in the mail at the time that that occurred. Does that answer your question? [5:30]

**Mr. Bounsall:** Only partly. I can see where, if you can persuade them to do that, that is fine and I would count that as a success. Don't we have a problem with the Toronto elementary school teachers where they were almost in agreement and has that one gone forward on that joint basis?

**Mr. Dickie:** That was exempt, and has been approved.

**Mr. Bounsall:** It has been approved.

**Mr. Dickie:** Yes, it has been, but you are talking about the elementary teachers now.

**Hon. B. Stephenson:** And the separate school teachers as well.

**Mr. Bounsall:** In your mediation services are you taking care to popularize with both parties—exactly as you talked about—the Falconbridge Nickel attitude toward the current wage situation?

**Mr. Dickie:** I am not reading that very well.

**Mr. Bounsall:** Okay. Falconbridge settled—

**Mr. Dickie:** Mr. Scott was the mediator in that case.

**Mr. Bounsall:** All right. They made certain statements that they settled well above the—

**Mr. Dickie:** Guidelines.

**Mr. Bounsall:** —the guidelines, and immediately announced there would be a joint application. And last week they sent the application off to the Anti-Inflation Board, and gave them 30 days to decide or they would pay out the difference—which amounts to 70 cents an hour in essence?

**Mr. Dickie:** That's right. They said that they would bank the difference and pay interest on that.

I think that is correct, isn't it, Dick? That's right.

**Mr. Bounsall:** But they also said they will start paying it out in 30 days.

**Mr. Dickie:** They expect to hear within 30 days. I can't be sure of this, but we were pressing them on when they might hand down some rulings in some of these applications and they said they were going to attempt to do that within a 30-day period. I think there will be a sufficient number come down that will be very helpful to the parties.

**Mr. Bounsall:** I am not asking you to name the parties involved, but do you have parties where management has sort of quit salary negotiations since Thanksgiving, and have stuck to a 10 or 12 per cent maximum? And, if so, what are you doing in those situations?

**Mr. Dickie:** Last week we had Abitibi in mediation and they presented a three-year programme basically on the guidelines, the only difference being about a 24-cent increase in lieu of cost of living—in total about \$1.43 for a three-year programme, but basically on the guidelines.

In other smaller situations—you have to remember the composition of our units, we have a tremendous number of small ones that are under the 500 grouping. We are proceeding pretty well on the basis that they are out to get an agreement. We are getting quite a few agreements, some up to the guidelines.

Some coming off a two-year contract where they haven't had a cost-of-living bonus have agreed between the parties to apply the guidelines for the first year, and go to the Anti-Inflation Board for the balance. I don't see that those will have much difficulty because they will be able to prove their case.

**Mr. Bounsall:** Are you saying that the confusion as to what to do has more or less abated now, and it is clear to both parties in these disputes that they are being—

**Mr. Dickie:** They are getting a little bit used to it. Of course the Act hasn't been passed yet and regulations haven't been handed down—they are in draft form and I don't suppose they will be down for another couple of weeks. It will be most helpful when they do come down.

I would think they are proceeding pretty much as we did before. Certainly, these questions are being raised and certain management are saying, "Look at the guidelines that are there, fellows. That's the best we can do." Does that describe it pretty well?

**Mr. Mackenzie:** Are you telling us then that with smaller firms of less than 500, the guidelines are having the effect of keeping the settlements within the guideline range?

**Mr. Dickie:** No, not really. I am just saying to you that where they come off a two-year contract, be it a first- or second- or third-time-round contract—where, for example, they haven't had a cost-of-living escalator clause—employers usually are proceeding on the basis that they are front-end-loading the contract. They are getting quite a few agreements because the employer knows that in many of these cases the cost of living has accelerated so quickly that they have to do some adjusting. It's not all heart, you know. They want to keep their staff as well.

**Mr. Bounsall:** To move to a specific one—reference was made in the minister's opening remarks to the hospital inquiry commission and to the fact that province-wide bargaining is becoming an accomplished fact for nurses and so on, and generally an encouragement to have larger bargaining units. It seems to me we have a real problem here in Toronto with the Toronto hospital workers. Under a contractual obligation—the last one they signed—they agreed to do everything city-wide, at least for those hospitals that were involved. Now, even under that contractual agreement they are trying to settle not salary but issues other than direct moneys, some on a hospital-to-hospital basis, even though you have the contractual agreement to do city-wide bargaining for all issues, including hours of work and so on, with whatever flexibility will be allowed in an overall contract. That's occurring even though you have a contractual obligation. Then you have certain other places like the hospital workers in the various hospitals in Sudbury. They are under no con-



tractual agreement and have, in fact, chosen to negotiate everything on a city-wide basis. Now, what's going to be done here? You have a contractual—

**Mr. Dickie:** You are talking about the 14 city hospitals?

**Mr. Bounsall:** That's right.

**Mr. Dickie:** You talked about joint bargaining. Maybe you recall the emotion, the pressure and everything at that particular time.

We got an agreement that they would bargain collectively—the 14 hospitals. That meant, in our opinion, that the local issues—and we discussed them in a very general way—should be handled by the local committees and that the matter of money, and so on, should be at the master bargaining table. They seemed to take a different interpretation this round, and you remember that since the time we got that agreement the Johnson inquiry commission came down for recommending the expansion of bargaining, and talked about going regional and then provincial. Now, with the 14 hospitals, CUPE has been delighted to date about the expansion of this. After all, they'll have not 14 hospitals, but 60 bargaining together, including that of Sudbury, I think.

I received a letter, just before I came in this afternoon, about this problem you are speaking of. We are going to take a look at that and try and see if we can explain that away to the parties concerned. I think it should be possible, when we have 60 hospitals, if they are going to bargain collectively with CUPE, we should somehow be able to include that group of 14. There seems to be a misunderstanding about what was meant by joint-bargaining. My own interpretation of joint-bargaining is that in order for the local union to survive the local should have a part to play in the local issues, and the master committee should look after the bigger issues, or those local issues that cannot be settled go to the master bargaining table. I'm not sure how we are going to handle this problem but apparently it is becoming one.

**Mr. Bounsall:** I guess it boils down to what you consider to be a local issue and what you consider to be a master issue.

**Mr. Dickie:** Yes, of course, the greatest local issue is that of scheduling. If we've got a hospital with 100 beds compared to one of 1,200 beds, they feel scheduling can be better done by the local hospital. You can make an argument pro and con. There are very few jurisdictions that provide legislation to cover such an issue as scheduling, and I don't know

how we are going to overcome that particular problem but I think we can.

**Mr. Bounsall:** Did I infer that you felt it would be easier with the 60 than with the 14?

**Mr. Dickie:** It is never easier, but I would think that if it goes as the service groups, we've got two groups, we've got SEIU being one group and CUPE being the other group and this is a great difficulty for us, or for the hospitals; not for me, because I'm not directly involved on it. There is about an equal number—the service employees have about 60 hospitals and CUPE have about the same number—and they thought the expansion of the bargaining area kind of eliminated this matter in Toronto, but apparently it hasn't. We'll have to see what can be done about it. We think going from 14 to 60 is quite a big move. This is their first round. We have other problems besides that in the hospital area.

**Mr. Bounsall:** So the 60 are bargaining together for a master contract.

**Mr. Dickie:** Yes, the mechanism has been set up for that.

**Mr. Bounsall:** In the 14 at least, the feeling is that they did have a contracted agreement to bargain—

**Mr. Dickie:** Yes, I wrote it and I never dreamed of it becoming an issue. I thought that from the union's point of view and in all other industry-wide types of agreement that the locals looked after their local issues and they decided among themselves just what should be on the main bargaining table. I think we'll be able to overcome the problem.

**Mr. Bounsall:** Just a detail question on that: What happens if one of the local hospitals—and there's always one or maybe two that have more difficulties than others communicating between the local union and the management—can't get those local issues resolved?

**Mr. Dickie:** Then it goes on the main bargaining table.

**Mr. Bounsall:** It does come back on the main bargaining table?

**Mr. Dickie:** Yes, that it does.

**Mr. Bounsall:** They end up on the main bargaining table one way or another then?

**Mr. Dickie:** Yes, but you'd be surprised at the people working their first time round on this thing; they've got good people on both sides who are experienced and now are trying to make a real attempt to make the thing work. After all, they've been asking for it for

years, now they've got it on a voluntary basis, and one of the things that pleases me most is the fact it's coming about on a voluntary basis. I know we have to look into that 14-hospital situation in Toronto, but there are ways to handle it.

**Mr. Bounsall:** I gather you generally feel that the larger bargaining unit is working or is going to work well and you're happy to see this come.

**Mr. Dickie:** I certainly am, very much so.

**Mr. Bounsall:** Same here. That's all for the moment then.

[5:45]

**Mr. Mancini:** Mr. Chairman, you said we could discuss items 2, 3 and 4 altogether, so I would like to dig for a little bit of information.

**Mr. Chairman:** No, I'm sorry, Mr. Mancini, I think we decided to take it item by item.

**Mr. Mancini:** Okay, fine. I'll wait.

**Mr. Chairman:** Item 2 carried.

It has just been mentioned to me that there will be no one here after the dinner adjournment for item 4. Would it be possible to move on to item 4 right now and come back to 3? Can I have the committee's approval for that?

**Some hon. members:** Yes.

**Mr. Chairman:** Then I'll call for discussion on item 4.

**Mr. Mancini:** I just wanted to dig for some information. I read with great interest here that there are 53 persons who are arbitrators. It says here that you recruit these people. Could you explain to me how you recruit these people? Is this by application?

**Mr. R. D. Johnston:** Yes.

**Mr. Mancini:** How many applicants have you had?

**Mr. R. D. Johnston:** We've had quite a few. I'm not sure I can give you the number, but there are certainly a lot more than are actually certified. In other words, they probably turn down three or four or more for every one they accept. The Labour Management Arbitration Commission, as you may know, is chaired by Judge Little, a district court judge from Parry Sound, and has three management and three union representatives

on it. One of their functions is to screen people who want to be approved as arbitrators.

**Mr. Mancini:** What qualifications do you look for?

**Mr. R. D. Johnston:** I can only speak for them. It would be better if one of them was here but obviously they're looking for the kind of people who have a reputation for being able to deal with matters in an objective fashion and who are thought to be able to approach a matter with some impartiality.

**Mr. Mancini:** This is very vague to me. Maybe it's just I who don't understand this but you say a person who has a reputation for this or that or a person they feel is capable. Are these learned people; are they lawyers?

**Mr. R. D. Johnston:** They are a mixture. A number of them are lawyers. There are not too many practising lawyers, there are a few.

**Mr. Mancini:** Are there people from the work force?

**Mr. R. D. Johnston:** There are law professors from the universities and that sort of thing. There are a few who have come up through the trade union movement who have become approved as arbitrators. But, frankly, a person who has come up with a strong background on one side or the other has a tough time being approved as an arbitrator unless he has got a pretty distinguished reputation of being acceptable to the other side. There are some like that. Bert Gargrave who is dead now was a retired officer of the Steelworkers and he was acceptable as a third party. There are people who come up from the management side where the same thing happens. The bulk of them come through a background of either the universities, retired people in the industrial relations field or consultants who worked into this field.

**Mr. Mancini:** I think the thing that concerns me the most here, and I think it will also concern the minister, I believe, is that we have 53 persons who are arbitrators and one woman. Why is this discrepancy so great when 50 per cent of the work force are women?

**Mr. R. D. Johnston:** I think there is more than one now.

**Mr. Mancini:** Excuse me, 53 arbitrators are male and one is a woman. Then we have 15 who are tentatively approved and there are two of those who are women.

**Mr. R. D. Johnston:** That's right.

**Mr. Mancini:** Surely there must be some reason for this discrepancy.

**Mr. R. D. Johnston:** The reason is that there is a shortage of women who want to do arbitration work and who have the necessary background.

This came up in the Legislature a year and a half ago. A list of names was produced, I think through the member for Scarborough West (Mr. Lewis) actually.

**Mr. Mancini:** But it says here that you seek out arbitrators. Why aren't you seeking out women?

**Mr. R. D. Johnston:** We would be happy to have them. They have been coming forward and they haven't been approved or a number of them lose interest. About half of the people whose names were produced when we had this crash programme suggested to us, when they got down to finding out really what it was all about and what was required of them and what their working conditions would be like, decided they didn't want to do it. And, no doubt, that would apply to a lot of men as well.

It happens to be an area where there haven't been many women working. There aren't that many women in leadership roles in the trade union movement. There are about two or three unions at the most in the country where you would find very many women in influential positions. The whole labour relations field, up until now, has been male-oriented, let's face it.

**Mr. Bounsall:** And that goes for management as well in the industrial relations field.

**Mr. R. D. Johnston:** Sure.

**Hon. B. Stephenson:** Of the 1,400 women lawyers in the Province of Ontario, I can think of only one who has had any specific interest in the labour relations field, off the top of my head.

**Mr. Mancini:** There must be people such as nurses who worked for 10 or 15 years, who must have some interest in labour relations and arbitration.

**Hon. B. Stephenson:** We are developing that right now.

**Mr. Mancini:** Surely we can seek these people out. That is why I was so concerned about how these applications are handled.

**Mr. R. D. Johnston:** The other difficulty is that, even after you get on the tentative list, the practice has been that you have got to sit on three boards and then be considered for approval to what might loosely be called the main list.

**Mr. Mancini:** I think this is only since 1972. I am sure this problem could have been thought of at the time. When you saw this great discrepancy of 30 males and no females, that is when you should have started to move.

**Hon. B. Stephenson:** If I might suggest, if you could persuade the fathers of the Province of Ontario to encourage their daughters to go into law or to go into labour relations, we would have a much easier time recruiting women in this field.

**Mr. Mancini:** Successful people like you will do that.

**Hon. B. Stephenson:** The fathers of this province keep telling their daughters they shouldn't be in this kind of work, they should be doing something else.

**Mr. Eaton:** And mothers.

**Hon. B. Stephenson:** Yes, and some mothers as well.

**Mr. Bounsall:** Just a question or two. I suppose I should know, but of the 53 arbitrators only 42 are active and I wonder what is meant by that. This was in the explanatory material for the estimates. How does one become inactive? Are they ineligible?

**Mr. R. D. Johnston:** I think they have either moved into other kinds of employment where they are not really readily available currently to serve as arbitrators or they may have reached a stage of retirement where they really don't want to do much work and then gradually they would be removed from the list. The commission is reluctant to remove any of them if there is some chance that they might even take the odd case but there are obviously some who don't do much arbitration for one or other of those reasons.

**Mr. Bounsall:** How do you define "inactive"? Is that no cases within a year or a two-year period? I am just interested in how you arrive at that determination.

**Mr. R. D. Johnston:** I am sorry, I don't know the answer to that. I can only assume that it means that they haven't had more



than the one case or two cases in the last year or so.

**Mr. Warner:** I have a question regarding the sum of money that is indicated. There is a very slight increase in the amount of money from the estimate of 1974-1975 to 1975-1976. I am reluctant to pass along plaudits for the small amount of money if it indicates that we are not actively employed in arbitration or that we are not as effective as we were before. Is there some explanation for such a small increase?

**Mr. R. D. Johnston:** Yes, I think it is kind of one explanation with two parts. One is that we didn't spend our whole budget last year in this area and, therefore, there wasn't the need to budget for as much relative to that. Secondly, in at least one area there are fewer arbitrations, in the hospital field, because of this consolidation of bargaining. You heard about where the nurses, for example, have one unit in a sense instead of 100-plus, so the potential for interest arbitrations is greatly reduced. There are still lots of rights arbitrations, but there is quite a reduction in hospital arbitrations.

**Mr. Warner:** If I could ask a philosophical question—does the ministry see a thrust toward mediation as opposed to arbitration? Is that the direction in which the government sees labour relations headed—a permanent kind of establishment with three parties throughout the life of a contract? Are you moving away from the arbitrating process?

**Mr. R. D. Johnston:** That is difficult to answer because arbitration is used in two ways. One is to resolve grievances—which is what we call rights disputes—and that's what most of this is, and there is still lots of that around, and it is liable to continue.

In the interest area, although it is hard sometimes to foresee what will be, I would say there are some countervailing trends. There is some interest in voluntary arbitration for resolving interest disputes—witness what the Steelworkers did in the United States. On the other hand, there is an objection in some areas to compulsory arbitration for resolving interest disputes—witness the hospital field. They are trying to resolve their disputes without having to go to arbitration.

As for mediation, there is more. If you had raised this under the previous vote, Mr. Dickie could have told you a fair amount about that. There is a lot more mediation than there was, and it's building up year by year.

In addition, we made changes to the Labour Relations Act this last session that we hope will promote the idea of what is loosely called preventive mediation—trying to assist the parties during the life of an agreement to improve their climate if they have come off a bad round or something of this kind.

**Mr. Warner:** Are you saying this is the type of thing the ministry sees as down the road for the future, the kind of thing that should be supported? To be specific, I have had constituency calls in the last couple of days with regard to the Metro teachers' strike, and without exception every call asked could this not have been headed off long before it reached this point. Perhaps an on-going mediation system, started back a year ago or whatever, that dealt with grievances as they came up, might have averted what we have taking place today. Is that the kind of general direction that this ministry is considering?

**Hon. B. Stephenson:** I think there is encouragement for that kind of direction, yes, but I would remind you that the process of negotiation with the Metro teachers began last January.

**Mr. Warner:** Yes.

**Hon. B. Stephenson:** And a fact-finder was appointed. The entire ball game regarding Metro teachers of course is not within the Ministry of Labour. It is within the Ministry of Education with Bill 100 and the education commission, as you know.

**Mr. Warner:** Okay, but—

**Hon. B. Stephenson:** In fact they began to work almost a year ago.

**Mr. Warner:** But basically there are two sides. What I am saying is that we need that third party.

**Hon. B. Stephenson:** The third party was there—in the body of the commission.

**Mr. Warner:** Sure, the fact-finder was appointed toward the latter stages of that process.

**Hon. B. Stephenson:** No, Mr. Shime's commission which has been—

**Mr. Warner:** Okay. One could obviously look to other examples as well, and I think of the Oshawa firefighters where they've been involved in what amounted to a two-party dispute where they apparently were working

toward an agreement prior to Thanksgiving Day, and Thanksgiving Day let the municipality off the hook, and left the firefighters nowhere because their restraint toward striking is self-imposed. There was no third party involved throughout all of those negotiations prior to Thanksgiving Day.

I see perhaps more expertise from the ministry, but I also see that third party as a way of taking the pressure off, of keeping the two sides talking, of trying to bring them closer together—rather than this old two-party system until we get to a crisis point, and then finding some form of intervention.

**Mr. R. D. Johnston:** You might want to pursue this a bit under item 3 in that it relates to future legislative policy. But I would caution you that there is no one magical solution to resolving collective bargaining disputes. It is clear to us—or we wouldn't have made the amendment we did in the Act—that trying to help parties in selected cases well in advance of the renewal date, or in some cases right after a bitter set of negotiations, may be helpful and we've had some experience where we think it was helpful. But on any kind of wholesale application I think it might be counter-productive.

I think it would be regarded by some parties as interference if you came nosing in in the middle of a collective agreement and tried to have them look at their climate. It's

one of several techniques. What we're trying to develop in the ministry and in the legislation is as many different techniques as we can find to use in various situations.

**Mr. Warner:** I realize we are closing, but does the ministry go to other examples? For example, does it look at Sweden's situation with the three party set-up?

**Hon. B. Stephenson:** Does it look at other examples?

**Mr. Warner:** Do you study other examples?

**Hon. B. Stephenson:** Yes.

**Mr. Warner:** And take these into consideration? And you're willing to change your own model of operation?

**Mr. R. D. Johnston:** Certainly.

**Hon. B. Stephenson:** Yes, but based on the merits of each individual case.

**Mr. Warner:** Still open to change?

**Hon. B. Stephenson:** Yes.

**Mr. Chairman:** Mr. Wildman, did you have a question on item 4?

**Mr. Wildman:** No, I will pass.

**Mr. Chairman:** Shall item 4 carry? Item 4 agreed to.

The committee recessed at 6 p.m.

# ERRATUM

No.	Page	Col.	Line	Should read:
S-7	S-185	1	25	<b>Mr. Johnson:</b> Mr. Chairman, since it
S-7	S-208	1	13	Johnson, J. (Wellington-Dufferin-Peel PC)

## CONTENTS

---

**Wednesday, November 12, 1975**

Occupational safety programme, concluded .....	S-237
Industrial relations programme .....	S-261
Recess .....	S-267

## SPEAKERS IN THIS ISSUE

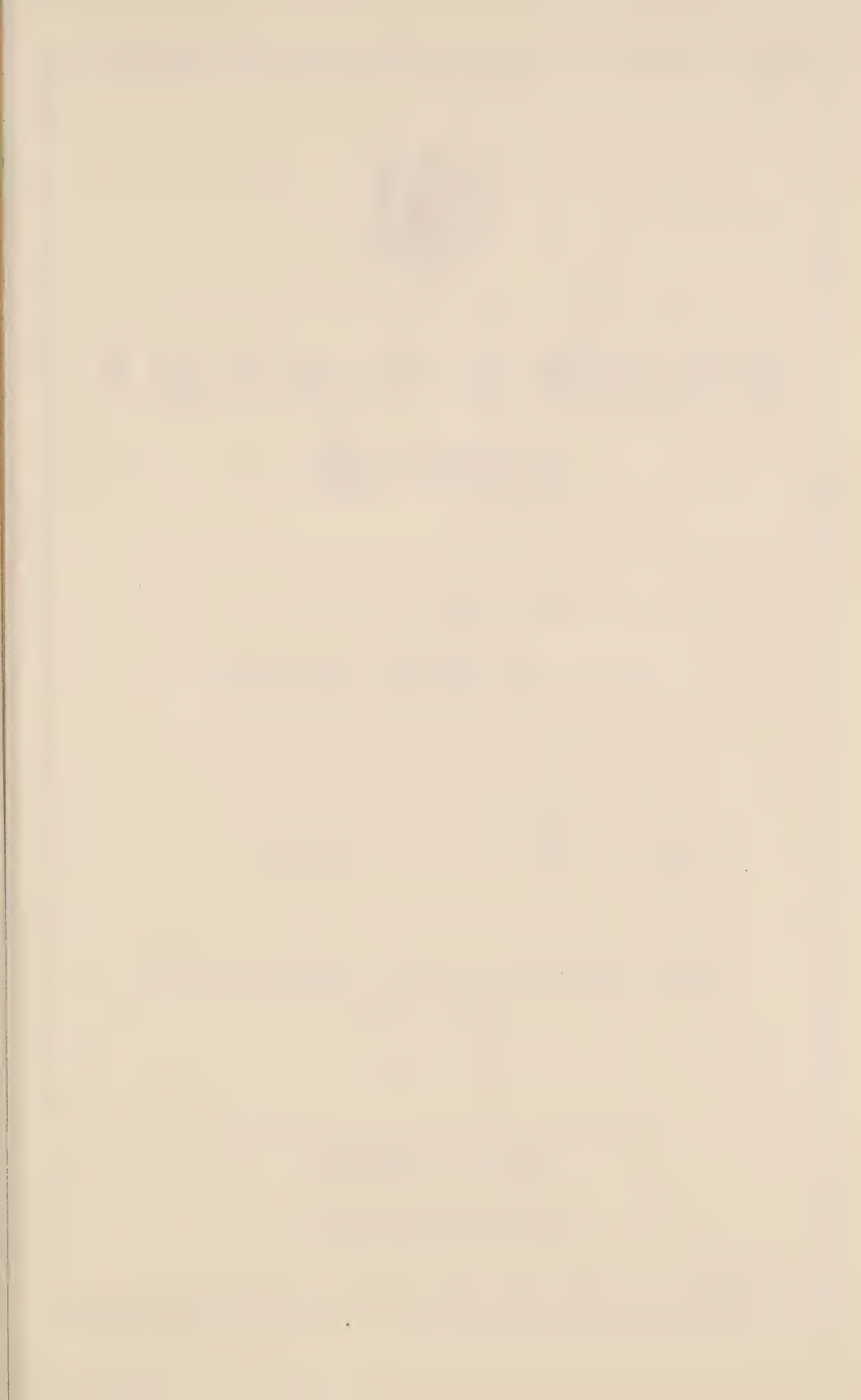
---

Bounsall E. J. (Windsor-Sandwich NDP)  
 di Santo, O. (Downsview NDP)  
 Eaton, R. G. (Middlesex PC)  
 Germa, M.C. (Sudbury NDP)  
 Laughren, F. (Nickel Belt NDP)  
 Lupusella, A. (Dovercourt NDP)  
 Mackenzie, R. (Hamilton East NDP)  
 Mancini, R. (Essex South L)  
 Newman, B. (Windsor-Walkerville L)  
 Stephenson, Hon. B. Labour (York Mills PC)  
 Warner, D. (Scarborough-Ellesmere NDP)  
 Wildman, B. (Algoma NDP)

**Ministry officials taking part:**

Cleverdon, R. K., Director, Construction Safety Branch, and Acting Director,  
     Industrial Safety Branch  
 Dickie, W. H., Assistant Deputy Minister  
 Johnston, R. D., Deputy Minister  
 Jones, D. F., Executive Secretary, Labour Safety Council









Government  
Publications

# Legislature of Ontario Debates

**SUPPLY COMMITTEE**

**ESTIMATES, MINISTRY OF LABOUR**

OFFICIAL REPORT — DAILY EDITION

First Session of the Thirtieth Legislature

**Wednesday, November 12, 1975**

**Evening Session**

**Speaker: Honourable Russell Daniel Rowe**  
**Clerk: Roderick Lewis, QC**

THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975



## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MGS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.

## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

WEDNESDAY, NOVEMBER 12, 1975

The committee resumed at 8 p.m.

#### ESTIMATES, MINISTRY OF LABOUR (continued)

On vote 2103:

**Mr. Chairman:** I call the committee to order and we will continue the estimates on vote 2103, item 3.

**Mr. Bounsall:** One of the problems that has plagued the Ontario Labour Relations Board in the last few years, and the people dealing with it, is the delays in getting a hearing, receiving a decision and so on. A year ago, we heard about methods by which this could be streamlined and improved. What is the delay period like now?

**Mr. Armstrong:** The record, Mr. Bounsall, has been gratifying. If I can just tell you, for example, about the certification cases. Some of these comparisons may be a little invidious, I guess, but I think the figures speak for themselves. The 1973-1974 figures for disposal of certification cases show that those disposed of in 21 days or less were 34 per cent of the total received. In the fiscal year just concluded, 52 per cent of the certification cases were disposed of in that 21-day period.

I can give you the other figures, but there is a corresponding improvement as the period gets longer. For example, in 28 days or less 51 per cent—and these are accumulative totals—were disposed of within that period in 1973-1974, as opposed to 62 per cent in 1974-1975. So we think there has been a gratifying and some dramatic improvement in the processing time in certification cases.

There has been an even more substantial improvement in the time required for processing unfair labour practices complaints as a result of new scheduling procedures now in effect. John Kinley is the custodian of the complete records—and I will check this—but I think it would be fair to say the median time has gone to something like the present six weeks from a previous 12 or more weeks. I think there has been 100 per cent improve-

ment there. We can get you the precise figures.

**Mr. Bounsall:** That field is fine. How did you achieve this? We heard about some plans to do it last year, but not many concrete details.

**Mr. Armstrong:** Some of the administrative details get a little bit complex; but let me deal, for example, with unfair labour practices complaints.

Previously, when a complaint came in it was assigned to a field officer who was given 30 days to investigate it before a date was given for hearing. It seems like a simple device, but now when a complaint comes in it is given what we call a tentative hearing date no later than 30 days after its receipt. The investigation proceeds, and if the investigation is not successful the matter proceeds for hearing on the tentative hearing date—the tentative hearing date is confirmed—so you don't have the gap between the officer's report and the board's determination to list it for a hearing. So we have had an automatic saving there of about 30 days.

Frankly, we have just tightened up the scheduling procedures so that we get things out faster. I think we get decisions out faster following the hearing by impressing upon the various panels that in these matters where there is continuing liability there is a real need to get cases out, consistent with sound adjudication. But we have emphasized the importance of expedition.

**Mr. Bounsall:** You have embarked upon this year, I would assume, the procedure of trying to spot problems that are going to appear before you before they appear. In other words, you are going down and sorting out a jurisdictional case or a situation where one particular applicant for certification may involve a larger group, like one portion of the McDonald's rather than the whole of it, and so on. Has this contributed, or have you got that part of the programme going?

**Mr. Armstrong:** I think that has contributed. We use the field staff at the sort of pre-hearing stage to flush out problems and

to attempt to get the parties together to resolve bargaining unit descriptions, for example, and to dispense with the necessity of appointing a field officer at the post-hearing stage to conduct a lengthy investigation, then report back to the panel and have it adjudicated. There has been substantial success achieved by having the field officer engaged at the early stage of the proceedings.

**Mr. Bounsall:** How many—

**Mr. Armstrong:** I am sorry, Mr. Pathe reminds me, of course—and this is a direct result of the amendments to the Act last July—we are now authorized by statute to issue an interim certificate where the bargaining unit description cannot affect the union's entitlement to outright certification. The effect of this has not only been that we have been able to get the certificate out while there is still a pending dispute as to the unit description, but it has also deterred, shall I say, frivolous disputes about certain job categories. In other words, faced with an immediate certificate, the parties have usually been able to resolve their differences by saying, "Well, what's the point of having a lengthy dispute; we will have to bargain about this anyway." And that's, I think, contributed to the expedition as well.

**Mr. Bounsall:** I gather from your remarks, or at least I infer, that the issuance of this interim certificate, in fact, has speeded up the resolution of the problems of definition of the bargaining unit. Is that correct?

**Mr. Armstrong:** Yes, it has. That's correct.

**Mr. Bounsall:** In other words, faced with the issuance or having received the issuance, both parties have got down and resolved what the final shape will be.

**Mr. Armstrong:** There are solid signs that this has happened. We're very pleased with the effect of the amendment to section 6(1a) which permits us to do that.

**Mr. Bounsall:** How many pre-hearing situations have you been in during the last year?

**Mr. Armstrong:** Do you have table 4 following the board's portion of the annual report? It follows page 5. The pre-hearing cases are shown in table 4 at line 3. The total number of pre-hearings in both cases was 120 and then the figures proceed to indicate the total won, lost and so on.

**Mr. Bounsall:** That was an increase over last year.

**Mr. Armstrong:** That's covered in the body of the report. My recollection is that that is perhaps an increase. I am sorry, at the moment I can't put my finger on that precisely, but my distinct impression is that that is not too far off the number of pre-hearing votes in the previous year.

**Mr. Bounsall:** I thought there would have been more pre-hearing votes in this particular year, as you tried to resolve and get around difficulties by having enough pre-hearings to get around problems.

**Mr. Armstrong:** No, I think we are perhaps getting confused in terminology. The pre-hearing conference is something quite different from the pre-hearing vote.

**Mr. Bounsall:** I am sorry. I meant the pre-hearing conference.

**Mr. Armstrong:** The pre-hearing conferences occur as a matter of course any time there is a bargaining unit description problem that's apparent from the meetings, from the application and the reply. We have a resident field officer who is in the board area who automatically attends to the pre-hearing conference himself or assigns one of his people to do it. In any case, where it appears to us that it would be profitable to have the pre-hearing conference, we hold it and it's done prior to the board adjudicating.

**Mr. Bounsall:** Four months have now gone by since the legislation was revised. Have you found any increase? What is the situation with respect to arbitration decisions having been taken to the courts in that period?

**Mr. Armstrong:** You have to appreciate, first of all, that the board has no jurisdiction. I think perhaps there was some confusion at the time this Bill 111 was before the Legislature and before committee in particular. The board has no jurisdiction over judicial review of arbitration awards. The Act provides that disputes concerning the meaning and interpretation of collective agreements have to be solved by binding arbitration.

Those matters may be taken to the courts in certain limited circumstances by way of application for judicial review. The board has no jurisdiction, indeed no role to play, with respect to rights arbitrations. Our decisions can be taken to the courts under more restricted review. We have what is called a privative clause and the number of cases of ours that go to the courts in a year are approximately 10 to a dozen. The Labour-Management Arbitration Commission no doubt would have the precise figures on the



number of rights arbitration awards which go to the courts. I don't have that figure. Do you have that?  
[8:15]

**Mr. Kinley:** No, I don't.

**Mr. Armstrong:** I think you were referring to the debate in the standing committee concerning a possible privative clause for arbitrators under rights arbitrations, a proposal which was defeated in committee, as I recall. What the experience of the Labour-Management Arbitration Commission has been with respect to the frequency of appeals of that sort, I'm afraid I can't answer. I'm sure we can get that for you.

**Mr. Bounsall:** I would be interested in seeing that in any event. As I said, I felt pretty strongly at the time the bill came through that that should be retained in the bill in its original form. It was deleted and I think maybe you should look at that very seriously again. The rights arbitrations cost \$700 a day and the average is about \$1,000; and when any one of those gets to the courts you are simply adding to that cost. They can still go to the courts on natural justice and jurisdiction in any event.

It was a good portion of the bill, designed to keep as many things out of the courts as possible and keep them in the semi-judicial situation you have under the legislation and mechanisms. As a non-lawyer in your case, Madam Minister, I think you might look at that and find some sympathy with what was intended in the original legislation.

Item 3 carried.

**Mr. Chairman:** That completes vote 2103, as we did item 4 before the dinner adjournment.

Vote 2103 agreed to.

On vote 2104:

**Mr. Chairman:** Item 1, office of the chairman.

**Mr. B. Newman:** Is there any statement from the chairman?

**Mr. Chairman:** The chairman, unfortunately, is unable to be here.

**Hon. B. Stephenson:** I was just telling the chairman—is he back yet?

**Mr. McPhee:** He was to arrive back today.

**Hon. B. Stephenson:** He arrived back from England sometime today and unfortunately cannot be here.

**Mr. Mancini:** Are they having trouble there with human rights?

**Hon. B. Stephenson:** No, he was presenting a paper to a conference of university presidents about something.

**Mr. Mancini:** One of those fact-finding excursions, I assume.

**Mr. Chairman:** Item 1 carried. Item 2?

**Mr. di Santo:** I would like to make a few remarks on human rights because I think that at this time we have in Ontario—in southwestern Ontario and northern Ontario—different but at the same time disturbing facts which have been happening and which I think reflect a widespread racism that is growing in our society. I think we should be concerned with this and the Ministry of Labour and the Ontario Human Rights Commission should be concerned with it.

Just recently, as you know, in the *Globe and Mail* of Oct. 28 we were informed that in Toronto, among 15 employment agencies, 11 were willing to help employers to discriminate against blacks and other non-white workers. At the same time, there was a report published by the Ontario Human Rights Commission, called "The Black Presence in the Canadian Mosaic". It shows quite vividly how racism is spreading in Toronto.

Not later than Nov. 5 there was again a case of discrimination reported in a news release of the Human Rights Commission. It was a blatant case of racism, in which the complainant, an Indian if I am not wrong—and I read from the press release—presented evidence that the landlord twice raised the rent during the term of the lease and used abusive racial epithets to the complainant, his wife and children. At the same time, there are complaints from the native people, the Indians in northern Ontario who find themselves in an absurd and hopeless situation.

There has been quite wide coverage in the media. In Maclean's of Oct. 20 there was a very long report entitled, "Massacre at Grassy Narrows." It explains the intolerable conditions in which the Indians live in Dryden, because of the pollution and the environmental conditions created by a particular industry in that area.

If we look at this situation we must become concerned, because it means that our society isn't evolving as harmoniously as it should be. While we are boasting among ourselves, the seeds of discrimination and racial struggle are being sown. We will bring ourselves to a point where the basic principles

which form the basis of the human and democratic relationship of this country can be broken up.

I think the Ministry of Labour and the Human Rights Commission should think very carefully about what is happening when we have 1,100 Indians in a reserve and they are treated the way they are treated—not because of accidents but because an industry is polluting the water that is their only source of earning. They were told five years ago by your government that they shouldn't go fishing any more because the water was polluted.

Now, after five years, unemployment among those Indians is 95 per cent. Welfare, which in 1970 was only \$9,000 a year, now has risen to \$140,000 a year.

In the same report you can read the comment of Andy Keewatin, one of the chiefs at Grassy Narrows. He said, "We've got to get some jobs—got to get some pride back. It takes the pride out of a man to ask for welfare. Nothing to do—nothing to look forward to."

We are faced with a situation in which people have lost their pride because of the constraints that our society puts on them. There are other people who are breaking the laws, who are breaking the natural balance of the environment, who are polluting and poisoning the source of life for those people. I think, as you say in your report, that part of the Human Rights Commission's work is to develop and conduct educational and research programmes, to eliminate discriminatory practices and to promote understanding and acceptance and compliance with the Code. I think the government should develop a positive action in order to remove these difficulties for those people.

What are the results of this situation among the general public? The results are that people who don't work, who are on welfare—forced to be on welfare—are reduced to a condition where they lose their pride, as Chief Keewatin says, and their dignity. Then there is the reaction of the white people. We have publications, booklets like this one, "Bended Elbow," which is the most disgusting and vicious publication on Indians, which creates hate for a minority group which, without fault, is forced into an intolerable and inhuman situation. The same happens in Toronto.

If you read the press; if you listen to the electronic media of the minority group; if you read this report, which was published by the Human Rights Commission, then you realize how widespread is the discrimination; how deep is the bias in this province. From

this report you gather that 87.4 per cent of the people interviewed—and the people interviewed were black adults and non-black adults—state that there is discrimination in housing and 82.9 per cent say there is discrimination in employment. Some of them state that this trend is decreasing but still they find this situation. You have to realize that these people haven't had lifelong experience with racism, because these are people who come from the Caribbean islands, the West Indies, and they are not like the black native Canadians and for them it's quite a shock.

I would like to read to you a letter from a young black girl which was published in the *Star* a few weeks ago. She said:

I am back in Toronto after working for the summer in the north and Toronto has changed dynamically. "Paki, Paki," people suddenly yell at me on the streets, in the subways and in the apartments. Toronto is really getting sour. It is getting difficult to take it. Please help us. A miserable life is not a good life.

This is the condition of the peaceable minorities among our society. Most of them want to be integrated in this society, want to be part of this community, even though they feel very strongly about retaining their heritage; a heritage that most of the time we do not understand, unfortunately, because as I said before, there is racism in our society. [8.30]

Most of the time it isn't conscious and most of the time, of course, it is provoked by extremist groups which are the result of this particular time of economic depression, unemployment and social tension. I'm talking of the Western Guard which was mentioned at length last year during the estimates. People who are in southern Ontario are doing what the racists in northern Ontario are doing. They are spreading around hate literature and they are instilling in the people of Ontario hate for the minority groups who are brought into this society, not for their pleasure but because this province—this country—needs them, because they provide cheap jobs to the industry, because they provide jobs to develop our economy.

One of the points that perhaps we should clarify, and probably that's the most obvious objection that we could have from bureaucracies, is that many cases are not noticed, that many people don't complain. I suggest that you read Wilson Head's study. He says that many people do not complain, because "it may be viewed as evidence of black self-doubt and despair. Many people do not go



to the Human Rights Commission, do not go to the police, because many times they are mistreated by the police.

In a series published by a local newspaper in Toronto on racism there was a quotation by a police officer who said to a young lady who was asking him to help her home; "Lady, you are stuck with it, your skin colour. You are stuck with it for the rest of your life. You'd better get used to it." Those are the reasons why many people do not go to the Human Rights Commission, do not go to the police. They do not feel protected. They do not feel that around them there is a protective environment. They feel around themselves a hostile society. They feel that the government and the bodies which are the emanation of the government are not protecting them.

I would also like to bring to the minister's attention that you could very well say that there is not much to do with hate literature, because you cannot prosecute them, and that's possible to a certain extent. But I'd like to bring to your attention what Mr. Ian Hunter, the legal adviser to the Human Rights Commission, said recently. That the criminal law is not wholly ineffective, although the hate literature sections substantially are. The sections dealing with causing a disturbance in a public place, damage to public property, intimidation, unlawful assembly and riot and others could, if imaginatively deployed assist in curbing some of the disruptive practices of the Western Guard and other racist groups. Too often government response to demands for action has been to point out the inherent defects in the hate literature sections without considering the possible application of other criminal court provision. Just to prove the point made by Mr. Hunter, I'd like to bring to your attention a letter which was published just recently in the Star by the executive director of the Human Rights Commission, Mr. Robert McPhee, in which he points out that really there are not too many complaints and that in respect of the 11 hiring agencies who, it was said, are ready to discriminate the commission wants evidence. My point is that you won't have evidence because if we are not naive, we would very well recognize that those agencies won't say any more that they want to discriminate because they have a special relationship with your employment standards branch.

I think you should take more active action and try to find out, not from the point of view of the hiring agencies but from the point of view of the people who have been

there and were refused jobs because of attitudes of the hiring agencies.

That leads me to make another point which has been emphasized in the past but is still in actual practice in Ontario and in Canada. Many immigrants, when they come to Canada, quite often are refused jobs on the basis that they don't have Canadian experience. I think that that is blatant discrimination because all of us know that there are people who come from universities in Delhi or Madras in India which are excellent schools. Of course they have no experience in Canada, but they are very well qualified. By the way, one of the other reasons, quite often, why they are rejected is because they are overqualified.

I think also that on the part of government and public officials, there isn't a sensitivity to this problem to the point that they will create confidence in the minority groups, in the immigrants, in the black and coloured minorities, the euphemistically so-called visible minorities. The minister said the other day—and this is nothing personal—as far as the Chinese students at the faculty of medicine at the University of Toronto are concerned, that she had only asked a question about their involvement. The way it is perceived by the people, by none other than Dr. Dan Hill, who is the former chairman of the Human Rights Commission, is not the way you explained to us the other day at committee. He brings your example as one of the examples that may in a way create a kind of uneasiness in the minds of the minority groups. To be fair, I should mention that Dr. Hill mentions also the name of Dr. Shulman who made the same remarks.

**Mrs. Campbell:** And Dr. Cathcart made the same remarks.

**Hon. B. Stephenson:** In fact, neither of them made the same remarks that I did because my remarks were three questions. Unfortunately, Dr. Hill has relied only on erroneous newspaper reporting for the basis for his statement in that speech, and I have seen it.

**Mr. di Santo:** As I said before, I am not blaming you for actually discriminating against the Chinese students. I am trying to explain to you how some positions and some statements are perceived by the general public. I think we have to be very careful also in that direction.

Last year we had, and I think also now, Western Guard groups and other extremist groups using the Bell Telephone for their



hate messages. They were using a specific political party name last year. Bell Telephone, again, is reluctant to take action on this very clear attempt to create hate, to create discrimination, to create racial conflict.

I spoke of the Indians, I spoke of the immigrants in Toronto and the blacks, and that brings me to quote what Dr. Richmond said to the *Globe and Mail* recently in the same series of articles on racists. He said racism is widespread in Ontario and also that the government is not taking any action to change the attitudes of the people of Ontario.

Another recommendation that the Human Rights Commission made in 1971, regarding the teaching of prejudices was to change the content of the textbooks, replacing all kinds of commonplaces about blacks and other minority groups with the positive contributions that all groups have given to the development of Canada and Ontario.

I think there is still a strong resistance, and I saw that the other day when the Minister of Education (Mr. Wells) was replying in the estimates of Education to one of my colleagues. He had brought up the issue of multiculturalism and the various examples which are in courses in Toronto—especially from the Toronto Board of Education.

The minister said that we cannot change or amend the Act, because the reason is a constitutional one. But the real reason is that we, for some reason, are reluctant to accommodate minority groups who are giving a very high contribution to the development of this society. They are not being accepted as equal, and that's the problem. The problem is a cultural one. It's a problem of enforcement of laws, but it's a problem of attitudes.

I think the government should give the example and should lead toward a society in which the minority groups can be accommodated, and in which they really feel equal to the others.

Recently the Premier (Mr. Davis) announced that he was willing to establish a contract compliance for women. Don't you think that same contract compliance should be established also for the minority groups, for the Indians in Grassy Narrows, who are 95 per cent unemployed? Or the blacks and for the visible minorities in Ontario which are discriminated against, as we can see from your publication? Who are discriminated against only because of the colour of their skin?

[8:45]

Also the public service should be reviewed in respect to the minority groups. As far as I know, there are no deputy ministers and there are no bureaucrats at high levels in government offices who are members of minority groups. That, I think, is not because they are not capable or qualified. So I would like to ask you why? I think this is an important question. I don't think that minority groups in this society who have been here for years and years are able to go up in the government offices and reach the top positions as are the other groups who are now in those positions. Also I think the Human Rights Commission should take action against those violations which include discrimination against the minority groups, the visible minorities, like the blacks, as far as housing is concerned.

You know and I know that many people don't want blacks, don't want Pakistanis, don't want Indians, because they think the other tenants will leave their apartments. I don't know how it can be enforced legally but certainly I think that is a disgrace because it creates struggles and tensions in our society.

The same happens to people with children. I had a complaint this afternoon, from a young lady who has one child and has been refused one apartment after another because she has a child. She is on mother's allowance; she can afford to pay for the apartment but they won't give her the apartment and I don't think there is any protection for her in Ontario. The reason is that she has a child.

I think also that your ministry and the Human Rights Commission should consider amending the Human Rights Code in order to include the purchase of property, access to professions—as I said before—and membership in professional and social organizations; and that compensation for lost wages in the case of employment discrimination be instituted.

I would also like to bring to your attention that, for instance, the Indians in Grassy Narrows who have been unemployed and who lost their source of earnings, have never been compensated to this day.

As I said before, it is quite difficult to see where the commission can enforce existing laws and where it can act positively in order to change prevailing attitudes. I think that is important; it is important for our future otherwise we will end up in a situation—I want to emphasize this point especially at a time of depression, at this time of high unemployment and recession; with social tensions; when

some racist tendencies can prevail. Then we have people like the Western Guard and the extremist groups who are operating in this society and who are developing right now.

It's a little difficult for me to suggest any solution to this point except that the government and all of the people who hold public office are more responsible toward the public and toward the minority groups as well as to the majority groups.

There is something I want to speak about which I feel very strongly about and probably it is not strictly the responsibility of the Province of Ontario or the Ministry of Labour and that's the immigration laws.

**Mr. Chairman:** Mr. di Santo, I don't know if that would come under this vote or not.

**Mr. di Santo:** I want to make this point. I realize that this is a federal matter but I would like the Province of Ontario, at some point, to come to grips with the problems of immigrants who are coming to Canada and have no Canadian experience and no recognition of their titles or their skills.

The province, with the federal government, should try to find a way to accommodate those people. As you know, when they go to the consulates all over the world and they get permission on the basis of their qualifications, they come to Canada with the conviction that once here they can use their qualifications. But, all of a sudden, when they come to Ontario they cannot be electricians; they cannot be doctors; they cannot be teachers; because those qualifications are not recognized in Canada.

Even if constitutionally immigration is a matter which falls under federal responsibility, I think the Province of Ontario, as the major recipient of immigrants, should work out a formula which will accommodate those people in a way that, once here, they don't feel frustrated, they don't feel humiliated and, most of the time, are forced to go back to their home land.

These are the major points I want to bring to your attention: The problem of the Indians; the problem of the minority groups; the problem of the immigrants. Also, I would like to see the Human Rights Commission have a more active role in respect to the police because most of the complaints are against the attitude of the police especially toward the so-called visible minorities. I would like to have some comment on this point and I may ask some questions later on.

**Hon. B. Stephenson:** I am not quite sure where to start. One of the things I think I

should point out to you is that both the province and the federal government have been paying the Indians in Grassy Narrows to fish in other areas which are not polluted in order to provide food for the Grassy Narrows band. This has not been entirely successful. The freezers in Grassy Narrows are full but nonetheless some of the residents of the Grassy Narrows reserve continue to eat the fish which does come from the polluted rivers. I agree that is a problem.

I should also like you to know that at least seven attempts that I know of have been made to institute new job opportunities within that specific area for the residents of Grassy Narrows. None of these has been successful to this point. It's quite obvious that the socio-economic problems of the Indians of Grassy Narrows are going to have to be resolved by, I think, a conjoint action of the province and the federal government. I think I can tell you quite safely that meetings are being held now to develop some sort of joint action in order to establish some reasonable economic base for those people who have been deprived of a good deal of their livelihood by the pollution of the rivers.

One of the areas in which I believe the Human Rights Commission of this province has been particularly effective and particularly active has been housing. In fact, a good deal of activity has taken place in that area. I believe the incident which you raised is a little bit—shall I say—of a red herring because I have a feeling the individual who was refused accommodation was probably refused not on the basis of skin colour but on the basis of the fact that she had a child. As you know, there are still some housing accommodations which are not available to people with small children. The other points which you raise regarding qualifications of immigrants are very valid points. They are points which I think probably should have been resolved before the applicant ever arrived in Canada, because the consulates of Canada should be sufficiently well-informed about the requirements for all the occupations within Canada, be they skilled trades, professions or anything else. Each province does have its own set of regulations with which those who wish to practice that trade or that profession must comply.

Unfortunately, we have had a great void in the communications area between the Ministry of Immigration and most of the other bodies in Canada. The Ministry of Immigration, I think, has been functioning within a vacuum for a number of years. Unfortunately, the problems arise when the



immigrants arrive in our province because they have not been informed about the true situation regarding the acceptance of their skills or their training within this province, or within any other province in Canada as a matter of fact.

Those are just three of the things that I remember out of the dissertation. I would imagine that perhaps Mr. McPhee has something that he would like to add. Do you have any specific things that you would want to speak to at this point?

**Mr. McPhee:** There are a number of things I could mention in connection with Kenora, where we have been involved for a long time—since 1965 at any rate. I say that simply to bring to your attention that awareness of the problems and attempts at solutions are not just our particular problem at this time. Now, unemployment—and I give this apology to begin with because there is nothing worse to say than that there is a study going on. But, as a matter of fact, I think it was five years ago that the commission first recommended to government, contract compliance as a possible means of meeting some of the underemployment of native people. This has never been accepted, Madam Minister.

We have tried to update our argument by having Professor Jane of McMaster University conduct a study, which is current and should soon be completed of the feasibility of contract compliance to meet the specific employment needs of native people in north-western Ontario. And that will follow the Head study.

I might say that the commission often uses this kind of approach of getting a study to get the matter before the public and before government. Contract compliance is certainly one of the mechanisms that we think should be looked at very seriously; only, though, in light of all the failures, because as you pointed out—

**Mr. di Santo:** Yes, but is the minister prepared to also implement a contract compliance for the blacks and the visible minorities in southwest Ontario? I think that is the real point, because if you have a contract compliance, then the prosecution of the violations of the Human Rights Code is much easier.

**Hon. B. Stephenson:** As I am sure you are aware, there is a position regarding contract compliance which the government has taken, vis a vis the Human Rights Code. But, mind you, it is a permissive piece of legislation; it is not a compulsory piece of legislation.

**Mrs. Campbell:** Could I ask one question while we are on this point?

**Mr. Chairman:** If you don't mind, Mrs. Campbell, I have quite a few others on the list.

**Hon. B. Stephenson:** Could I just say one thing in response to the question about the employment agencies? I am sure you are aware that the Human Rights Commission and the ministry have had some concern about this, particularly in the light of the report which was in the newspapers. We arranged a meeting at the ministry between some of the members of the Human Rights Commission, with representatives of the employment agencies, and with the Canadian Civil Liberties Association.

[9:00]

Unfortunately, the representatives of the Canadian Civil Liberties Association declined to attend the meeting and all that we have in the way of evidence is the newspaper report. We specifically requested their presence in order to try to gather some positive information about this, rather than what was simply reported in the newspaper. We have been unsuccessful thus far, but the commission and the ministry are pursuing this with the employment agencies at this point. Do you have something that you want to add to this?

**Mr. McPhee:** Yes, I think that's a case that illustrates several points. The commission's involvement with employment agencies began in 1962 and our involvement has been such that it makes one lose a certain amount of confidence in an educational approach. Each agency knows of the Human Rights Code, signs the declaration and our staff trains their staff. This has been going on, as I say, for some 14 years.

What the Canadian Civil Liberties Association did is conduct a series of tests in which their caller posed as an American businessman who was interested in setting up business in Toronto, and he said that he would want to screen out certain races and would the agencies do that, and according to the Civil Liberties report, 11 of 15 agencies said they would. Now that was not at all surprising to us, because in many cases we have had employees of agencies very recently come in and make similar statements. We cannot find people who will give us hard evidence, and we have been unable to get hard evidence.

We think the Canadian Civil Liberties Association recommendation is weak because



essentially, they are recommending another educational programme. We don't think that will work in this kind of industry. You have some 400 employment agencies in the province. Only 10 per cent are members of the Association of Employment Agencies and most of the discriminatory practices are verbal. Records are not kept. The pressure is on the employee of the employment agency to discriminate, to cater to the prejudices of the person placing the order, because that person's livelihood is dependent upon the number of placements. So if the employee of the agency knows that you won't hire a secretary over 23, he only has to get that indication once, and he never sends that kind of person to you.

We do not think that there is any perfect answer; we think it is more analogous to trying to clean up the body rub industry than to some established profession, but we think that providing some very tough regulations under the Employment Agencies Act is probably the answer to this and we are working with the Employment Standards Branch to develop some proposals.

**Mr. di Santo:** May I ask the minister whether she can give me an answer about the public service, because one of the recommendations of Wilson Head's study was that the commission should create a separate branch as far as employment practices are concerned, and that the commission be empowered to examine the employment practices of the Ontario government and city councils for discriminatory characteristics. Is the minister ready to promote an affirmative action programme in order to remove the drawbacks or the frailties that the minority groups find when they seek employment with the government or the municipalities?

**Hon. B. Stephenson:** Mr. Chairman, I would say that I am certainly prepared to investigate Dr. Head's allegations about this, to discover just what the situation is, and if it appears that an affirmative action programme is the thing that is necessary, yes I would be prepared to support it.

**Mr. Chairman:** Mr. Mancini.

**Mr. Mancini:** I believe Mr. di Santo did a fine job in making his point of view known. And being an immigrant myself, like Mr. di Santo, and coming from a different country, I can appreciate some of the things he said, but I cannot agree with all of them. I think one of the things we have to make abundantly clear, and I learned it a long time ago, is that you cannot legislate acceptance.

Whether you want to laugh about it or not, you cannot legislate acceptance. You can legislate fair opportunity for jobs and fair opportunity for education, but you cannot legislate people to accept you. I think once we get rid of that fallacy I think the whole system will work far better.

I would like to ask a couple of questions. I noticed in the green book you had a paragraph about research, and I was quite interested in that. But when I wanted to check the amount of money spent in research, it wasn't broken down. Is that part of a new figure, or a different figure, or an amalgamated figure? On page 75 of the estimates you have salaries and wages, employee benefits and so on, but there is nothing on research. I was wondering what the total expenditure for research was and what type of research you were doing. I think Mr. di Santo mentioned one book that he had with him. What type of research are you exactly looking for?

**Hon. B. Stephenson:** Is that included in salaries and wages?

**Mr. McPhee:** No, it comes under the item of professional services and outside research. I might just comment, Madam Minister, as you know, the chairman of the commission has announced a review of the Human Rights Code and the commission. I know one of his greatest concerns is the amount of funding available for research. Through the years the commission has carried out at least one piece of research each year.

I won't pretend for a moment that it is adequate, although I think it has been significant. For example, "Teaching Prejudice," the book which Mr. di Santo referred to, was a commission study. The Wilson Head report is a commission study. That was done last year. This year, as I mentioned, the study is being carried out by Prof. Jane of McMaster.

In addition to that, and perhaps John Kinley can comment more, we have developed a closer relationship with the research branch of the Ministry of Labour. Just within the last two months they have set aside one full-time person to do research for the commission. Last year, about \$5,000 to \$20,000 was spent on outside research.

**Mr. Kinley:** May I just add a word on that? The research branch in the ministry perhaps hasn't been quite as heavily involved in research for the commission as for other parts of the ministry in the past. I think in the last 18 months to two years, however,

that has picked up and is really in fairly good balance.

Much of the work that has been done has been related to helping the commission evaluate what it is doing and to see where it needs to put its effort, and this sort of thing, by looking at its own data collection and trying to get some assessment of its success. Perhaps it hasn't been oriented quite so much in the direction of studies such as the Wilson Head study. However, I think that is changing too. While Mr. McPhee says there is one person assigned full time, even while I was still with the research branch there were three or four people who made fairly considerable contributions to the commission's research—so it is also substantial there as well.

**Mr. Mancini:** Fine. I think you state somewhere that you have community education and information programmes that work along with the police, educational authorities, and with religious, labour, industry and other organizations. I would like to know precisely what they are doing with these organizations.

It seems very vague to me, like this whole issue of human rights seems very vague to me—that we are doing this and we are doing that but we can't see anything concrete. What is coming out of this work with police and educational authorities? What exactly are we doing with these people to better human rights?

**Mr. McPhee:** The commission's programme at the present time is four activities. One is complaint handling and at a time of a significantly rising complaint load I would estimate that 70 per cent of our resources are used in complaint handling. The commission also conducts public education programmes. These are programmes of a positive nature to promote the—

**Mr. Mancini:** Excuse me, I think you misunderstood me. If a person were to read this, he'd get a totally different feeling of what is going on than what you are saying here. It's somewhere in the book here. It's a quote. It says: "They are working with the police and with educational authorities and with religious, labour, industry and welfare organizations." If a person were to read that, not know anything about it, he would think that there would be specific programmes within all these groups and certain good things are coming out of these programmes. But in fact this is not true.

**Mr. McPhee:** I am sorry. I was trying to give you a thumbnail sketch that there are

four activities and then I was going to deal with the specific one you asked about.

The four activities are complaint handling, public education, community problem solving and then information and research. In terms of what we call community problem solving, I might say that work with the police has been a high priority for a number of years. Here is a concrete example of several years ago: The native people in Manitoulin Island brought to the attention of our officers many cases of alleged police brutality. We sent an investigator, documented these cases, took them to the police and out of that came an Indian police liaison committee which is now operating all over the province.

These committees, made up of Indian leadership, police leadership and commission representatives, hold informal hearings on the reserve. They have been very significant in meeting police-native tension. In fact, it has led to the OPP now having a new concept of their work with Indians.

In Toronto, a similar thing has been happening. We were involved—I was involved personally with my colleague, George Brown, in meetings with various police detachments where black leaders and black victims made their case known. This has led to extensive participation by commission staff in training Metro police.

It has led to a number of mechanisms to develop a better relationship between the police and the particular minority. Those are two examples. I can go on. We get tension in the workplace.

There was one plant in west Toronto that had inter-group friction. Not a denial of employment, but the work force fighting one another along racial/ethnic lines. We sent in a problem-solving team of people who could speak the language of the particular groups involved. Again, they looked for the source of the problem and set up some remedial programmes.

It is happening in schools. Children of minority groups are complaining in some areas, of harassment. Our staff may go in, try to find the cause, work with teachers, work with the neighbourhood to meet the particular problem. This is what we mean by community educational programmes. In addition, staff are making speeches, participating in workshops, in literature—hundreds of thousands of pieces in seven languages was distributed last year.

**Mr. Mancini:** How does the commission plan to change the attitudes of the people?



**Mr. McPhee:** There are a variety of ways of changing attitudes. With respect, I think that—

**Mr. Mancini:** Given the fact that when we look at our neighbours to the south, they have tried to legislate acceptance and they have tried everything and it hasn't worked for almost 200 years. What new methods and what new ideas does Ontario have?  
[9:15]

**Mr. McPhee:** I think that one of the great dangers is to see our problems from an American perspective.

**Mr. Mancini:** Do you mean racism is different in the United States?

**Mr. McPhee:** No, I'm just saying that in the late 1940s roughly nine out of every 10 people in Toronto were of some kind of British ancestry. Today—

**Mr. Mancini:** Now, I believe you really want to do something.

**Mr. McPhee:** I want to answer your question, if you'll permit me.

**Mr. Mancini:** Yes, but you're just going around and giving a large—

**Mr. Chairman:** Would you let the gentleman finish before you make any comments?

**Mr. Mancini:** Fine.

**Mr. McPhee:** I was simply going to say that housing today in Toronto, compared with cities across the border, is relatively open; the situation is greatly improved since the earlier 1960s and the pre-code days. It's one of the problems that is currently manageable. Our experience has been that many landlords who were respondents, who were accused and found guilty of discriminating against people, today are renting to the very same groups that they discriminated against. Whether they like it or not, I'm not prepared to make a judgement, but I think the enforcement of legislation has led to a change of attitude.

**Mr. Mancini:** But if racism runs as deep as Mr. di Santo has pointed out—and he brought out 15 different publications to prove it—what specifically does the commission have in mind for things such as Mr. di Santo has pointed out?

**Mr. McPhee:** I think this is a problem for the whole community, but one thing was announced in the Legislature today for which the commission has been pressing for

years; that is, some legislative action to curtail telephone hate messages. I believe that's a specific.

On the matter of the book, "Bended Elbow," the commission spoke out on that very strongly, and we had legal counsel examine it for possible libel cases. We have participated with community groups in Kenora, urging the community to denounce and to have nothing to do with this particular kind of book.

**Mr. Mancini:** I would just like to ask a question. If a person refused to give a job to an individual because of religion, race, creed and what have you, what type of fine does the law command? What type of penalty?

**Mr. McPhee:** I don't know what details you want on this. The procedures are set forth in the code. We are mandated at the staff level of the commission to investigate and attempt to conciliate. If we fail, the matter then goes before the commissioners and they may recommend a board of inquiry to the minister. The board of inquiry has the power to make a finding and an order. The amounts vary, as they do in the criminal justice system, according to the context of the case and the decision and position of the board chairman. The most recent one, which I think Mr. di Santo referred to, was in Hamilton. What was the penalty for that one?

**Mr. Brown:** It was \$300 for compensation and damage. The chairman of the board of inquiry has quite a bit of latitude. He's empowered to do anything that he deems necessary to rectify the damage which has been done. Of course, his decision is appealable; from there you can go into prosecution and the fines are spelled out in the legislation.

One thing I'd like to elaborate upon is the question of laws and attitude. I think the United States has more laws in the books than any other country in the world. It does not appear to have solved their racial problems. I don't think it's because of a lack of laws; it's because of a lack of enforcement.

I think we have moved from the days when state ways could not change folk ways. I don't think we pretend at the commission to ask people to love each other. I think what the laws try to do is to modify behaviour. I think anybody who is familiar with Merton's paradigm knows that you have four situations: Somebody can discriminate and



yet not prejudice. You can have non-prejudiced discrimination. We try to make a distinction between odious behaviour which results in damage to somebody's fortunes, whether in employment or housing or something like that. Education, as Mr. McPhee has stated, is the other aspect of this. It tries to assist attitudes to catch up with behaviour, which the laws try to take care of.

I don't think we are ambitious enough in the commission to say the fact that equality of opportunity exists necessarily results in one's inviting one's workmate to one's house to have tea. I think we concentrate on the basic elements in terms of equality in the workplace, in employment and in access to public facilities.

**Mr. Mancini:** I think that was my first statement, that you can't legislate acceptance, but you can legislate for jobs and for education.

**Mr. Brown:** I think that is reasonably accepted.

**Mr. Mancini:** What nationality is the person in charge of the Human Rights Commission? This is just a question off the top of my head.

**Hon. B. Stephenson:** Dr. Symons is a Canadian.

**Mr. Mancini:** What ethnic origin?

**Hon. B. Stephenson:** I think probably of British extraction.

**Mr. Norton:** Quite clearly.

**Hon. B. Stephenson:** I think you should be aware that the first chairman of the Human Rights Commission was Jewish and the second was a black.

**Mr. Mancini:** Just one last question here. I think we have discussed this before, but not very extensively. You have 40 people in the province out doing case work. Is this true? If not, what is the figure then please?

**Mr. McPhee:** The total complement of the commission, including clerical, at the moment is 40. We actually have 28 professional people, of which there are 20 officers in the field.

**Mr. Mancini:** Throughout the whole province of Ontario to watch these millions of people?

**Mr. McPhee:** That's correct.

**Mr. Mancini:** What new ideas and approaches are you taking to get input from large and small corporations, from small businesses and other areas of work to find out what type of people are being hired and what their background is? We know that the government has a lot of other means of collecting information. They collect sales tax from small businessmen and such. They have them fill out forms and things of this nature. Is the commission prepared to do anything like this to have real information? In my area we have three or four big factories, one of which is Allied Chemical which employs 400 or 500 or 600 people, but you wouldn't know whom they employ unless they told you so. Is there any thought given to this kind of collection of material?

**Mr. McPhee:** Again, perhaps we have come of age. The effort in the 1960's and early part of this decade was to prevent the asking of questions.

**Mr. Mancini:** If 100 people go for a job and 50 Pakistanis and 40 Italians apply and none of them get hired but 10 Canadians are hired, isn't there something wrong?

**Mr. McPhee:** I would agree. What I was going to say is that perhaps this period of not asking questions has become counter-productive because we find people who we believe are discriminating using that as a defence. For example, one of the questions we ask employment agencies, is how well do they do in placing minorities, in placing women, and in placing people over 45. And they will say that because of the Human Rights Code they don't know.

We think it is time to take a fresh look at that. I think the only way you will be able to judge the performance of an employment agency is to know the racial, ethnic, age and sex breakdown of the actual number of placements they make each year. So at the commission level there is a good deal of thought about what you are asking.

**Mr. Brown:** I think the member should probably be informed that in cases where we have complaints once we start to resolve the issue, the staff routinely asks for that kind of breakdown. Of course, we do not always meet with ready acceptance of this because, by our own effort in the past to effect equality of opportunity, they tell us they do not have the statistics in terms of ethnic or sex breakdown. We do get it routinely. It forms a basis of affirmative action.

We carried out one not too long ago with a big firm in Don Mills using the same

method. We were able to demonstrate by the bunching of the statistics in terms of ethnicity, if it is weighted in favour of a particular group; we're able to point this out. We point out, in relation to the total ethnic makeup of the population, that if the employment was based upon equality of opportunity, even through some sort of random selection they should have a broader ethnic representation—more nearly in proportion to their numbers in the population, given the size of the firm, of course. This is a routine we follow.

**Mr. B. Newman:** I wanted to bring to the minister's attention three areas of discrimination because of either age, weight or physical ability. The minister is aware that I introduced a private member's bill which would eliminate discrimination because of a physical handicap. What is the minister's opinion concerning the elimination of a physical handicap when the handicap does not interfere with a person performing the services that the certain job requires? What is your attitude toward that?

**Hon. B. Stephenson:** I would think that if a physical handicap has nothing to do with capability of achieving the job that's necessary, it shouldn't be considered at all.

**Mr. B. Newman:** Then you would look favourably on introducing amendments to the Human Rights Code that—

**Hon. B. Stephenson:** Mr. Newman, I've already told you that I would.

**Mr. B. Newman:** Yes, but you would look favourably and introduce them?

**Hon. B. Stephenson:** Yes, I said I would look favourably upon them.

**Mr. B. Newman:** I wanted to follow on further—will you introduce that amendment?

**Hon. B. Stephenson:** I can't tell you that at this point. I will certainly—

**Mr. B. Newman:** You're only looking at it.

**Hon. B. Stephenson:** Fine, I shall look at it very seriously.

**Mr. B. Newman:** I will ask you to not only look—

**Hon. B. Stephenson:** I make you no promises at this stage. After four weeks in this ministry I'm not going to promise anybody anything.

**Mr. Cassidy:** That's a bit of a copout.

**Hon. B. Stephenson:** It may be a copout but I would like to know precisely the legislation which is required, and the implications of that legislation. I believe in this and I believe that it should be done and I shall bend every effort toward that direction.

**Mr. Cassidy:** That means that we, as private members cannot bring legislation to a vote.

**Mr. Chairman:** May I suggest Mr. Newman has the floor?

**Mrs. Campbell:** Yes, please do, we have been cut off before.

**Mr. B. Newman:** I want to pursue this, Mr. Chairman.

**Hon. B. Stephenson:** As I told you, Mr. Newman, the commission is involved in a complete review of the code and this is one of the specific areas which they have been asked to study. As a result of that study I am sure we shall have further amendments to the code. It is my sincere hope that one of those amendments will involve the handicapped.

**Mr. B. Newman:** I hope, as a result of your professional background you will strongly urge it upon those who are going to have other input into it, and that your personal feelings will also play an important part in seeing that the Human Rights Code eliminates the type of discrimination I'm referring to now.

I want to pursue that one step further. A letter was sent to you today concerning another type of discrimination. I'm going to read the recommendations of that letter to you. More than likely it hasn't crossed your desk.

**Hon. B. Stephenson:** I haven't seen it.

**Mr. B. Newman:** Someone else in your office has it.

**Hon. B. Stephenson:** It has not arrived as yet; I'm sorry.

[9:30]

**Mr. B. Newman:** This deals with mentally-ill people. I'll read several paragraphs of it so you can get the whole text of it.

As you know our Citizens Commission on Human Rights has expressed concern over the fact that there is no existing legislation to protect those mentally ill persons who are involved in industrial therapy workshops around the province. We feel that there is a considerable amount that can be undertaken to help those people

obtain better conditions and improved rehabilitation.

We would like to see the following proposals included in the Human Rights Code when it is amended:

1. Every mental patient in an Ontario psychiatric hospital has a right to accept or refuse work as he or she may decide.

2. Every mental patient working on an industrial therapy programme or similar programme in a psychiatric hospital, has the right to be trained in a skill that would enable him or her to earn a living when released.

3. If the hospital does not train a patient on a programme where he or she is actually taught skills, the person has the right to receive the minimum wage for the work he does perform.

4. If the patient is being taught a skill in the programme, he or she has the right to just compensation for his or her efforts. Throughout the programme the wage should parallel his or her improved skills.

This is a series of recommendations for the Citizens Commission on Human Rights. I would hope that the minister's officials would look into it and see their way to include mental illness in an attempt to rehabilitate these people so that they once again can make a contribution to society, rather than being warehoused then released into society without any type of skill provided for them. In other words, we aren't attempting to give them an opportunity. We are discriminating against them in the certain areas which I have mentioned. I hope you and your officials look into that.

That letter, by the way, is dated today, and as a result, I don't expect you to receive that personally for several days, but I do hope that it is forwarded to the Human Rights Commission so that they in their wisdom can look it over and reply, and I hope reply favourably, to the organization that has made those proposals.

There is another area I want to bring to your attention and that is that when it comes to employment in some industries there is a weight qualification. Is not that a discrimination in itself where, in the performance of the service weight is of no consideration at all?

**Mr. Haggerty:** Height too.

**Hon. B. Stephenson:** There are certain occupations in which I am sure height and weight may have some relevance.

**Mr. B. Newman:** Yes, I accept that.

**Hon. B. Stephenson:** But certainly not in all occupations.

**Mr. B. Newman:** When it comes to obtaining employment at Chrysler, in the auto industry in my community, if you don't weigh 140 lb you are not accepted. They hold that for both the male and the female.

**Mr. Haggerty:** You can be overweight.

**Hon. B. Stephenson:** I should think that would be more of a hazard than underweight.

**Mr. Haggerty:** That's right.

**Mr. B. Newman:** It does disturb me a bit, because at least 10 different people in the past six or eight months have complained to me that they were underweight—a pound or two underweight—and can't get the job.

Quite often you will see a policeman joining the force at 175 or 180 lb and the next time you see him he is 220 or 230 lb. It could be exactly the same thing with a fellow who will come in at 135 lb. You can rest assured—maybe he is only 135 lb because he hasn't been able to eat properly—once he was paid the wage that he would get in the auto industry, maybe with a little more sustenance, in no time he would be 140 lb and over.

**Hon. B. Stephenson:** Probably he would be 220 lb.

**Mr. B. Newman:** You are not kidding. With most of us it is a problem of excess rather than a deficit. I would like to know the minister's position concerning the weight handicap.

**Hon. B. Stephenson:** I don't see the rationale in the instance which you cite.

**Mr. B. Newman:** I see. In other words, you can't see where the auto industry should be discriminating on account of weight?

**Hon. B. Stephenson:** Since weight has very little to do with muscle this depends a great deal more on stature and build. I really do not know why they should make this requirement, but we shall find out why they make the requirement.

**Mr. Haggerty:** There are other industries, too, which do apply that factor.

**Hon. B. Stephenson:** Really? Mrs. Campbell mentioned security guards, for example, who have to be a certain weight and height which seems to me utter futility. Since their



role, as she suggested, was to call the police and not to act as a policeman why should they be a specific height and weight?

**Mr. Haggerty:** I'm sure some of the police-women don't weigh 165 lb.

**Hon. B. Stephenson:** I'm sure they don't either.

**Mr. Mancini:** If they were all 6 ft like myself there would be no problem.

**Hon. B. Stephenson:** George, have you had some experience with this kind of problem?

**Mr. Brown:** Yes, we have. I think as a matter of routine we have examined application forms with respect to the height and weight question because we try to establish whether or not these requirements are job-related. True enough, in certain areas, height and weight may be related to a specific job in question.

As you may know, the investigation into policing in Ontario brought that question out with respect to height and weight. It was found that it militated against the chances of certain ethnic groups, Chinese and certain of the Mediterranean peoples. I think that is being erased from the criteria for hiring police.

Some of the industries—the steel industries, for example—have used that, but in our experience we've found that it reduced the chances of some people who, by definition, seem to be small in stature. We tried to base the hiring decision upon their capabilities instead of their bulk. I think we have been dealing with this routinely in the commission over the years.

One of the more difficult questions is the issue of obesity. This probably could be classified in terms of a handicap. We have not always been successful in dealing with the question of overweight, because apart from its obvious physically negative attributes, I think that attractiveness is one of the things that some employers tend to regard as being desirable, especially when it comes to females.

**Mr. Haggerty:** With glasses.

**Hon. B. Stephenson:** You mean they don't want ugly broads with glasses?

**Mr. B. Newman:** I bring this to your attention because as recently as one month ago—Tuesday, Oct. 14, this year—in the Star Alert—which is a column in the Windsor paper which attempts to resolve difficulties which people have; it's sort of an ombuds-

man column—the following statement is made:

Chrysler is practising discrimination against us women. We got application forms from Canada Manpower to work there but when we went down for our interview we were told we didn't meet the weight requirements. We all had previous factory experience but they wouldn't even consider us. We think it's because we're female.

Signed by Girard, Zimmerman, Lozier. Chrysler rationalized that by saying when they transfer them from one area of the plant to the other they may be in a job which may require a little extra muscle power.

**Hon. B. Stephenson:** That has nothing to do with weight.

**Mr. B. Newman:** For example, they say you may not have a particularly strenuous job today, but what happens if you're transferred to a different part of the plant?

**Hon. B. Stephenson:** If that were referred to the commission I'm sure this would be investigated, because I don't think the commission would accept that.

**Mr. B. Newman:** They wouldn't accept that?

**Hon. B. Stephenson:** No.

**Mr. B. Newman:** I'd better inform Girard, Zimmerman and Lozier then.

**Hon. B. Stephenson:** It sounds like a legal firm, doesn't it?

**Mr. B. Newman:** There is another question I wanted to raise, the matter of forced retirement. With forced retirement are you not discriminating against an individual because of his age? For example, in some places firemen are required to retire at age 60, or under 65 at least. Now 65 is the retiring age and I think you accept retiring at 65. If the person is required to retire before he reaches 65, is that not breaking the Human Rights Code?

**Hon. B. Stephenson:** Mr. McPhee tells me the commission has investigated some cases of this sort, but you have hit a very responsive note, because I have some very real concern about compulsory retirement. I know all of the reasons which are promoted, those which are related to providing jobs for younger people, but it seems to me that one of the things we do in this country—and this is not just in the province, but perhaps in this

whole hemisphere—is we negate the value of the wisdom that experience in years has developed in human beings.

I should like to see a much more flexible kind of situation regarding retirement, because I believe truly that people should retire when they feel they should retire, when they are physically incapable of doing the job which they have been doing or they simply don't want to do it any more. I think we should be having a much more flexible relationship as far as retirement age is concerned.

Having given you my personal opinion about this, may I ask Mr. McPhee to report to you about those cases which they have investigated.

**Mr. McPhee:** Three come to mind, very recent cases, all in northern Ontario involving firemen and policemen. In two of the cases, where the municipality required firemen in one case and the policeman in another to retire at 60, they filed complaints and we won a settlement in the complainant's favour. That is, the firemen and the policemen won their case. The code protects them until age 65.

There is another case which is currently going before a board of inquiry in North Bay. It's a case of a fireman. Again there's conflict between the position of the municipality and the commission; Indeed there is conflict between two Ontario statutes, if memory serves me correctly.

**Mr. B. Newman:** Right.

**Mr. McPhee:** We are hopeful—because we have lived with this for quite a few years—that we will get the first at least quasi-judicial precedent on this case in North Bay. Again the retirement was at 60 and we are challenging that. It will be before a board very shortly.

**Mr. B. Newman:** I think the case, Mr. Chairman, is from the city of Sudbury, the one concerning the firemen. A resolution was passed by the Windsor city council on Aug. 11 relating to this, and I would assume it went to your predecessor, Madam Minister, I hope that your officials will look over the resolution passed by the community and take it into consideration. Harris—the fellow who conducts surveys in the United States—conducted a survey for a national council and released the results of the survey on June 2 of this year. He found that 86 per cent of the American people were opposed to mandatory retirement except for health reasons. "We use our elderly to solve our unemployment problem," says an executive who at one time was very much for an early retirement, and now when he reached the good age of 65.

looked upon it with a different pair of eyes. "Public opinion seems equally divided as to whether older workers should retire to allow room for younger workers to move up." In fact, the Harris study found only 49 per cent agreed with the premise that the older workers should retire to allow the younger workers to move up.

The American Medical Association, through its chairman of the committee on aging, a fellow by the name of Herman Gruber, says: "We continue to have lower retirement ages on the one hand and insist upon compulsory retirement on the other." The American Medical Association first denounced mandatory retirement policies and laws in 1971. To force persons to retire when they remain willing and able to work is "a direct threat to their health and life expectancy."

In the US Congress, Representative Paul Findley, the Republican from Illinois, has introduced a bill that would make it illegal for employers to discriminate in hiring and firing of persons over 65. So you see, he is actually extending it beyond the 65 years; rather a retirement because of health reasons or the individual wishing to retire, rather than being forced to retire. I bring this to your attention, Madam Minister, so that—[9:45]

**Hon. B. Stephenson:** I am glad the reports you read support my point of view; thank you.

**Mr. B. Newman:** Yes, I wouldn't for one minute not agree with that. Medical people will say it is better for the individual to stay gainfully employed in some fashion. If he wishes to stay alive, then that is the better thing to do.

**Hon. B. Stephenson:** Compulsory retirement is a very frequent cause of death.

**Mr. B. Newman:** Right.

**Mrs. Campbell:** First of all, I would like to raise a question which is almost akin to the assessment of taxation question. We've heard a lot tonight about the matter of employment of new Canadians. One of the problems which I have cited time and again in my efforts to seek employment for new Canadians has been the unwillingness of unions to allow them within their ranks. I may say that Don Montgomery, who could hardly be called a Liberal, and my NDP opponent in the last election, both conceded the point that this was a great problem, but that it was a matter of education. Since the Human Rights Commission now apparently doesn't

believe we can any longer go along the education route—

**Hon. B. Stephenson:** Oh, I don't think we intend to stop it.

**Mrs. Campbell:** Oh no, solely for this reason I would be interested in some response from the ministry or the commission on this particular aspect, because it is a real problem for new Canadians, particularly in the Toronto area.

**Mr. di Santo:** What unions are you talking about?

**Mrs. Campbell:** I will go into them, but it is quite clear this is a fact. It isn't a fact with Mr. Gallagher, I think, but many unions have taken a position which is not in keeping with what has been said here. I see there is nodding of agreement from those of the commission. As I say, both Mr. Montgomery of the steelworkers union, as he was at that point, and my NDP opponent, conceded it.

Secondly, I am delighted to hear the minister discuss the question of age. Again, in my last campaign it was interesting that my Tory opponent was pointing out that it was improper to elect me as a Liberal because of my advanced years. I felt that, too, was something that should have been drawn to the attention of the people, except that I couldn't prove any damages.

**Hon. B. Stephenson:** I think I would have to tell you, Mrs. Campbell, that I had the same experience with my NDP opponent in my campaign.

**Mrs. Campbell:** Maybe we'd both better do something about it. Those are two points.

A third question was raised recently at a Scarborough meeting of single heads of families. These were female for the most part, and their complaint was that in application forms they are required to give their marital status and to answer questions as to their children.

I'm really of the opinion that this can constitute discrimination. One mother in particular said that she was convinced that in her case, having been refused jobs when she had to answer these questions, that certainly this was a factor. She was convinced that it was discrimination. I did inquire as to how many of these applications would have the same questions for male applicants, and nobody could answer—including those males present who were the single heads of families. I wonder if that in itself doesn't constitute discrimination.

There is another matter I would like to draw to your attention. It wasn't enough of a sampling for me to be able to say accurately that native children had been involved in discrimination, but certainly there were instances in the courts of children who had run to Toronto from other parts of the province who gave very poignant statements as to why. One of the reasons given was that they were not accepted in their own towns. I'm sure the Children's Aid Society in Metropolitan Toronto, either Catholic or Metro, could possibly give you some figures. I don't know how extensive they would be because I can only speak of the experiences that I had. What was done there was to have Children's Aid contact the Children's Aid Society in the place of origin to check this and to keep a watch on it to see what developed as a result of that kind of outlook. I do think it is an important thing.

Certainly I don't think there is any question by anybody in this room but that there is indeed discrimination against the older person seeking a job. I'm talking about an older person in the late 30s, early 40s and that age group. I'm not speaking about 80 or anything like that. In my experience the complaints I've had are mostly from women. I am really concerned about this apparent thrust in our society, that they are regarded as almost virtually unemployable. Yet one can't really put one's finger on it. I would like to know what the commission is doing about it because I think there are enough incidents that it must be under consideration here.

The last thing I would like to draw to your attention is something which came to my attention recently. I'm not sure whether it's properly within the function of the Human Rights Commission but certainly I think that it should be aware of it. That is this whole question of references, particularly oral references. It's very difficult to trace the problem as to whether or not the stories given are true. I think we should look into this matter of demanding references. I can understand if it's a matter of bonding and that sort of thing, but where it may be simply a personal thing the reference business can preclude employment for a long period of time.

I would like to have some indication as to whether or not the commission has considered it, and whether it thinks it is a part of its function. Again it does seem to me that it could very well be a matter of discrimination. It may only be personal; in



that case I don't know how you would handle it, but I would like to hear.

Lastly, one of the things that is of deep concern to me is this whole question of housing situation. I have in my riding a great many people who come from many parts of the world. I wonder if the commission or the minister has had an opportunity to discuss with the Housing Ministry the very real problems I fear are developing in my area. I've had occasion to explain it to some of the Pakistanis who are deeply disturbed about what they feel is indeed their being singled out for discrimination.

But the reverse is the problem that is bothering me. I've had to explain that there are many frightened people in the city at this point; and I'm talking now, sometimes about veterans' widows for example. They are unable to get into housing which they can afford. Therefore they become frightened and when they become frightened they become angry and they start looking for scapegoats. I don't think it is something they would normally feel, but this is one of the reasons I've had this terrible feeling of urgency about the whole housing question.

It isn't just a matter of housing people in places where they can afford to be housed. It's the whole impact, sociologically, on the community when this kind of fear is roused. I don't know what can be done about it. I think we've got to try to understand the two sides of the coin. I'm not for one moment telling you that I'm supporting the attitudes, but I do think that in some cases it's very understandable when people are frightened.

Perhaps we could see if there isn't some way, for instance, of getting the province to move on such developments as the Dachi housing development in St. David's riding. I shouldn't speak for it because it isn't in my riding, but it happens to be one which is in urgent need of some help. Perhaps we could resolve some of these things by looking at the areas where there are places waiting and where funding hasn't been approved.

I don't know how far you can go, but fear can create terrible resentment in people and I think it's part of your problem, as it is also part of the responsibility of the Housing ministry. If I could have an answer to some of my questions, I shall stop at that point.

**Hon. B. Stephenson:** Could I ask Mr. McPhee and Mr. Brown to share answering the questions?

**Mr. McPhee:** Going back, Mrs. Campbell, to your concern about employment and

unions, certainly as a professional in human rights one thing we quickly learn is that discrimination in this province is multi-directional.

You're quite right. There are no permanent good people and bad people. Even in terms of our own statistics, one finds that all groups are participating in acts of discrimination. You may help victim A in a housing or an employment case, and then he discriminates against another person of a different ethnic group in a housing matter. We have this kind of thing regularly. Certainly unions, along with businesses, have a prominent record in our case files as being discriminators, and we've addressed ourselves to it.

Specifically, one thing we have done, is when the voluntary sector, through its efforts, got a human rights code in 1962, and the commission—

**Mr. di Santo:** What unions discriminate? We are talking about many unions but they have names and we'd like to know them. Which of them, specifically, are discriminating?

**Mr. McPhee:** If you'll hold a minute here. We have found that the private sector relaxed when the commission came in and, almost until two years ago, little was heard. We conducted, very deliberately, a programme of specific letter writing and visits to unions, churches, synagogues, service clubs, asking them to speak out on these issues.

We got a very positive response from the Ontario Federation of Labour and that culminated in several private meetings and then a recent convention in Timmins. We have pledged our support to the federation to the extent that they are urging locals to reactivate human rights committees. I had a meeting with the president of the large automobile workers union in Windsor on this subject, so there is significant movement from the leadership of the labour movement.

I think it would be inappropriate — I couldn't do it from memory—for me to name respondents in this forum. We don't name respondents. To answer the member's question and name unions would be, I think, violating a confidence. I don't know if there is any more on that, but I do want to say that we see positive movement from organized labour—

[10:00]

**Mrs. Campbell:** I am delighted.

**Mr. McPhee:** —in this issue at the present time, which is encouraging. George Brown, as the former head of the age discrimination unit, when we had a separate unit, may want to comment on the problems they encountered.

**Mr. Brown:** I think that Mrs. Campbell and I have had several discussions over the years since she was at city hall. I think one of the problems, especially with women, in the early administration of the Age Discrimination Act, was the question of their reluctance to reveal their age so that we could take it under the terms of the code. I have had many calls where they said, "Can I knock five years off here or 10 years off there in order to get the job?" It was particularly traumatic, I think, because it was found that if the case had to go to a board of inquiry where they would have to reveal their age in public, some of them viewed this as sort of deadly, so that vitiated all our efforts in some areas of the administration of the Age Discrimination Act. But I think with the new thrust of the women's liberation movement, many of those who were hitherto reluctant to reveal their age so that they could have recourse under the law are coming forth now, so that we have a substantially increasing number who are now taking advantage of the legislation.

**Mrs. Campbell:** I have had no trouble in having them give their ages to me.

**Mr. Brown:** I think that psychologically they have had historical reasons for not doing so.

**Mrs. Campbell:** Their reasons are clear—they just can't get a job if they tell their age.

**Hon. B. Stephenson:** It goes a long way further back than that.

**Mr. Brown:** I think the days are slowly going when it was somewhat of a staunch inhibition. I think we are shedding that, and I don't think it's any longer a problem as such that whenever they are turned down—

**Mrs. Campbell:** It is still a problem.

**Mr. Brown:** I know age is a problem in terms of a discriminatory barrier, but what I am saying is that an increasing number are now coming forward to file complaints when they suspect that age is a reason for their not getting the employment of their choice.

**Mrs. Campbell:** Good. What about the other thing?

**Mr. McPhee:** Single heads of family in application forms—we have a fairly significant caseload of this kind of problem, and as you know of course, discrimination on the basis of sex and marital status is prohibited.

**Mrs. Campbell:** I know.

**Mr. McPhee:** Nevertheless the Legislature didn't put sex and marital status in the section dealing with application for employment, and it is legal in this province to ask sex and marital status. We wouldn't accept that at face value if a complaint came to our attention. We would see if that was an indirect way of discriminating, just as this requirement for Canadian experience is another parallel situation where we do not accept an employer's demand for Canadian experience at face value. The burden is upon him, in our judgement, to demonstrate that that is absolutely essential to do the job.

But at the same time I have to acknowledge that they can legally do it and tell us to go away. It certainly is a problem. There is no question that people feel they are being discriminated against because of that. We look, as I say, to see if it is sex, and that is an indirect way, but we know also that people do get discriminated against on those grounds just because people object to their marital status or object to their sex.

Children's rights—again I personally am very familiar with the northern Ontario situation where I worked for some years among the native children. It's a very real problem. Again we try to use educational tools to deal with it when we are able to, but it's very tricky.

I see the Financial Post, in a front page review of the book, "The Bended Elbow", reviewed by a known member of the Western Guard, has accused the Human Rights Commission of making the Children's Aid return a native child to the parents, and subsequently the child died. It is an extremely sensitive issue, but very real in northern Ontario communities. We dealt with any number of cases on Manitoulin Island, where the children felt unaccepted and unwanted. There has been a good deal of work done there in the education system by Garnet McDiarmid, one of the authors of "Teaching Prejudice." I understand there have been some significant changes made there.

One of the major frustrations in this work is the number of matters that daily come to us for which we have no legal remedy. We always try to use our good offices to assist.

But a person who has a job reference problem—again, we look to see if it may be an indirect way of discriminating on the basis of one of the grounds of the code, using a job reference as a cover as it were. We can deal with those. The real frustration is the individual who has a personal, bad reference, which may be unjustified, and it is not because of the sex of the person or age or colour—

**Mrs. Campbell:** Or marital status.

**Mr. McPhee:** Or marital status; it is simply an unjust reference. We use our good offices, but many people are victims of that. Frankly, we think it is something that needs to be examined, either in the concept of human rights or employment standards legislation.

**Mrs. Campbell:** I have one further question, if I may. I understand there has been a recommendation, or there is to be a recommendation, to include within the code the matter of sex orientation and/or affectional preference. What is the status of that? Is there such a recommendation? In sex discrimination, are you worried about the courts? Have you tried to use that in such a case, or what is your position?

**Mr. McPhee:** I think I must make a distinction between a specific case, which is in the public arena as you know, the alleged discrimination against John Damien—

**Mrs. Campbell:** I am not asking you to discuss something which is before the courts. I am speaking generally.

**Mr. McPhee:** Yes, well I can address myself briefly to that, because I think it does need clarifying. Mr. Damien's lawyers are arguing before the commission that the word "sex" as it presently exists in the code also includes sexual orientation. They have made that presentation to the commission and the commission has committed itself to give an answer, probably by the end of the month. Now up until this point in time and through these years, it has been the commission's operating principle that sex in the code meant male/female, because it came into the code as a result of repealing the Women's Equal Employment Opportunity Act. Also, there is no definition of sex in the code, so there are very real problems in terms of bringing it in that way.

**Mrs. Campbell:** The courts don't look at intent; they look at what is there.

**Mr. McPhee:** Right. I am just giving you the history. We have assumed up to this point

in time that if such orientation were to come in the code, it would come via the Legislature. That has been our operating assumption—and that has been challenged. The commission is committed to giving an answer.

The commission has also committed itself to taking a most serious review of the code. I can report that Management Board has just funded the first instalment of the review of the code, so in the very near future there will be advertisements and public hearings held throughout the province. Certainly this will be one of the major topics.

**Mr. Mackenzie:** I have three observations. One of them is an area which I consider discrimination although it is probably one of the hardest things to prove or deal with. I have had three in the last four weeks or so. People have taken Manpower retraining courses—all three of them being women—a six- or eight-month course, I forget what it was, as clerk typist. In one case, one of them presented me with 37 job applications she had made following the finishing of the course. I took the trouble to check with the community college and her rating was reasonably high. In every case, when they gave her a reason for a turn down, it was lack of experience.

The frustration of one of the three who have raised it with me was expressed as what is the point of the money being spent on a retraining course and trying to get back into the labour force only to find that because they haven't got experience, the retraining wasn't good enough. I am wondering, on that particular score, if there is anything the commission feels it can do or if it has had that raised with it?

I recognize you tell them to keep trying, to keep applying, but to me it is sort of a subtle form of discrimination; and it certainly was having an effect on these people.

**Mr. Brown:** We would be very much interested in taking a look at the specific case if that were brought to our attention. Normally we hear about lack of Canadian experience; but lack of experience per se, we would have to look at it in the context of the jobs they were applying for. It could be quite reasonable.

**Mrs. Campbell:** It is common.

**Mr. Brown:** But we could only discover that upon investigation of the circumstances. We would be quite prepared to take a look at that if you were to make it available to us, because it could be a problem of sex discrimination.



**Mr. Mackenzie:** The other thing, I am just wondering—I realize this is a little bit out of our jurisdiction—has the Human Rights Commission thought or taken any position with regard to backing, or has there been any kind of communication with the federal government over the recent vote at the United Nations over the Israel or Zionist issue, which to me is a form of discrimination or racism which I am really worried about?

**Mr. McPhee:** That has occurred between commission meetings, as it were. I have discussed it with the chairman. I know it will be before the commissioners when they meet in a week. The commission has expressed opinions on a variety of federal matters, including the immigration green paper and the proposed federal human rights legislation, so it is not without precedent that they may wish to address themselves to this. I will see that it is brought to their attention.

**Mr. Mackenzie:** The final point I want to make is that I am not satisfied with your reaction nor with the way the member for St. George (Mrs. Campbell) practised, as far as I am concerned, a rather blatant form of discrimination in her opening remarks. That was a pretty general labelling of unions, right off the bat, as discriminating. What particularly bothered me about it was using Don Montgomery, who has been a colleague of mine for a good many years, to defend this kind of a position. Don would be one of the first who would tell you that there are problems in the labour movement, but he also would have jumped, and jumped hard, had he been sitting here tonight, at the kind of inferences which were made because nobody has worked harder—

**Hon. B. Stephenson:** Mr. Mackenzie, I think Mrs. Campbell specifically did say that Mr. Montgomery said that it was a problem and that he shared her concern about it.

**Mr. Mackenzie:** What I am simply saying is, this is annoying when you get people like Lucky Rao and Pat Grazzo appointed to fight this within at least one of the unions; and my colleague, Mr. di Santo, has been active in this field as has Mr. Lupusella and Mr. Grande. Mr. di Santo has been, as I have been, with a couple of the major unions as a staff member for a good many years.

I would like specifics, whether you think you can raise them or not, because what I finally got out of your remarks was that you were getting co-operation from the federation, from some of the leadership. Where aren't you getting the co-operation? Certainly

we have an active human rights committee in the Hamilton District Labour Council and many of the other groups. In the 13 or 14 years I have been involved with both the UAW and the Steelworkers they have taken on this issue even though they have had problems occasionally. I just don't think you can say generally that you have discrimination here without giving us some examples. That kind of a statement to me is discrimination itself.

[10:15]

**Mrs. Campbell:** Mr. Chairman, on a point of personal privilege, I can't understand how it could be said of me, in anything, that I have said that I was practising racial discrimination. I was stating a fact.

**Mr. Mackenzie:** Blatant discrimination was the remark.

**Mrs. Campbell:** All right. But when people discuss management and the lack of jobs, there is no question that is the same type of discrimination, if you want to put it that way. I just was pointing out that one of the first things a person had to do in many cases was to be a union member in order to get a job. If they can't become union members, I think we should be looking at it.

**Mr. Chairman:** I accept your point of privilege.

**Mr. di Santo:** Sixty-five per cent of the people in Ontario are non-unionized.

**Mrs. Campbell:** But these are people who needed to be in a union.

**Mr. Chairman:** Order, please. Mr. McPhee.

**Mr. McPhee:** I thought I had, and I will try again, prefaced my response on the comment by noting that there is no group in this province, racial, ethnic, labour, management and so on, that has not turned up in our files as being those accused of discriminating. I said that. It is quite the case. I could elaborate now and say that one perhaps is a little more disturbed when one finds it in labour unions simply because labour unions have historically been so strong in supporting the human rights movement. Perhaps virtue has that kind of fall from time to time.

**Mr. Mackenzie:** It wasn't virtue that was being claimed.

**Mr. McPhee:** Nevertheless, I don't know what good it would do for me to name the unions that pop into my head as a result of handling cases through the year. But I can

assure you that we have very significant contacts and open lines with the labour movement, and when we have a problem we go to that leadership. I think if you were to confirm this with the secretary of the Ontario Federation of Labour, Mr. Meagher, you would find there is a pretty constant flow, not only with the federation but with various locals.

Again I was simply making the point in response to the member, Mrs. Campbell, that it has been a part of our experience that people are held out of union membership because of their race, colour and so on, and we have dealt with it through the years. If I seem to infer anything more, I didn't intend to and I apologize.

**Mr. Norton:** Mr. Chairman, I will be very brief. I realize that Mr. Cassidy has certain restrictions on his time, especially tomorrow, and that he would like to get some questions before you tonight. I will restrict myself to one question that really arises out of the article on the front page of the *Globe and Mail* this morning relating to the hiring practices in Montreal of the Olympic organizing committee. What that brought to my mind when I saw it this evening was the question as to what jurisdictional problems, if any, you have in a situation where an employer is based out of this jurisdiction and conducts its hiring procedures outside this jurisdiction, but where nevertheless, there is a situation where persons from this jurisdiction might apply from outside and end up working in that jurisdiction. Does that create problems for you? If, for example, COJO had been in breach of an existing provision of the Ontario Human Rights Code, could you in that situation have taken any action? I am thinking of this particularly because of a number of the people who would be applying for those positions who would be employed in Ontario, and particularly in Kingston.

**Mr. McPhee:** I would rather think we would take that on. There are some legal problems and there is a federal jurisdiction, of course, in human rights; federally-chartered institutions, banks and transportation and so forth, and traditionally we refer complainants to the fair employment practices branch of the federal Department of Labour. Where there is no protection we have reverted to the more general sections of the code, and specifically the preamble that it is public policy in Ontario that all people are free and equal, so we feel we have something of a mandate if not a legal remedy.

In recent times, we have taken on the federal government for advertising in Ontario newspapers that contravenes the Ontario Human Rights Code where they have asked nationality; we have recently challenged the government of Jamaica, the government of the Netherlands and the government of Newfoundland for their advertising in Ontario. Some time ago, in co-operation with the employment standards branch, we collected a fair amount of money in northwestern Ontario where Manitoba-based contractors were exploiting native people. So I am not sure—unless you have something to add, George—of the legal position, but certainly if the employment was going to be in Ontario and the hiring took place in Montreal, we would feel some obligation to pursue that.

**Mr. Brown:** I am not quite clear on the question, but I think if either the recruiting or the hiring is done in Ontario we claim jurisdiction, even though the company is resident in Montreal, because the act took place in Ontario.

**Mr. Norton:** Could a company subvert the intent of the Ontario Human Rights Code by recruiting on a discriminatory basis outside this jurisdiction for people who would be working in the Province of Ontario?

**Mr. McPhee:** Again, I think in Canada we have some control on that. There is a Canadian association of statutory human rights agencies—and we hope very shortly to have a permanent secretariat for that—and it involves all the governmental human rights agencies across Canada that have a statute to administer, and we have a routine exchange of information.

For example, if a Toronto-based company is discriminating in Alberta we quickly know about it and the Alberta commission would ask for our co-operation and vice versa. So there are some controls within Canada and also border states. We have had a good deal of co-operation, for example, from the Michigan and New York commissions when it concerned a matter there.

**Mr. Norton:** Perhaps I might just finally comment that I think that incident obviously points out the need for some consideration of either Mr. Newman's proposed legislation or the minister's expressed intent to pursue that matter within the ministry and present legislation, even though it might have been cosmetic in intent I suspect.

**Mr. Cassidy:** Thanks to Mr. Norton for compressing his remarks; I will have to compress mine as well.



First, it is refreshing to have you in this ministry, Madam Minister, after the ministers we have had before you and I hope that you are not programmed down to the mediocrity we have had to endure over the previous years. I hope your red Toryism survives for a certain period of time.

Second, just in order to put it on the record, I would endorse the remarks made by Mrs. Campbell in relation to amendments to the Human Rights Code with reference to sexual orientation. I wanted to say a bit more about that, but since Mrs. Campbell has said it and I won't be here because of legislation tomorrow, I will pass on.

The third point I want to raise, which I want to raise specifically with this minister, is the question of discrimination against families in housing. This is an aspect of age discrimination which is not covered in the legislation right now but is a very serious matter, and it is a matter which I hope that you, Madam Minister, can take the initiative on, because it is something of which the development industry cannot cure itself even if it wanted to, and I am not sure it would want to.

My question is whether you, as minister, are aware of the problems that families experience seeking rental accommodation in large Ontario cities, and what do you or the Human Rights Commission intend to do about it? I will give you two or three examples, although I couldn't find our files, thanks to our recent moves. One example concerns a young couple who came here; he was to work with the Ontario government, and they spent something like 1½ months voyaging all over this entire city before they could find an apartment which would take him, his wife and a six- or seven-year-old daughter. They had worked all over North America and had never had that kind of experience before. They came up against all sorts of "Catch 22s." They got turfed out of the 10th floor of a building in High Park because it was above the floors available for families. They were one floor too high. They went to the sister building next door, to a place on the seventh floor, to find out there the limit was the sixth floor and they were still turfed out.

When my sister, with a daughter, moved into Ottawa and was looking for a mansion flat in downtown Ottawa, she found out that all of the nice mansion flats, which we admire so much, with two, three and even four bedrooms, now only take adults and will not take families under any circumstances. My niece is a rather quiet 12-year-old and cer-

tainly not the typical hellion one likes to think about and one fears.

In the area of Ottawa Centre, which I used to represent municipally, there has been a drop by half in school populations. One of the major reasons is the demolition of old low-rise properties and the construction of new highrise properties which often are adult only, or in other cases they effectively discriminate against families with kids. Condominiums are beginning to do it as well.

The advertisements indicate just how serious the problem is. When I surveyed the Saturday papers last spring, 50 per cent of the ads in the Toronto Star specified adults only. That represented more than 50 per cent of the accommodation because the large developers were particularly notable for advertising buildings which were for adults only. A third of the buildings which advertised in the Ottawa Citizen—a third of the ads—were for adults only. In the Globe and Mail today, which isn't a particularly good day, all of the ads or almost all of the ads of large developers say adults only.

There's 44 Jacques Ave., where my mother happens to live, an adult building. One, two and three bedroom apartments—this is one of the notable things. It isn't just one bedroom apartments which restrict. At 4000 Yonge St., two bedroom suites, expensive, adult only. Bayview Village, adult only. At 50 Cambridge Ave., Rosedale East, steps to subway, bachelor, one and two bedrooms, adults only. St. James Town is totally adult only now.

It is notable in particular that buildings which are close to community facilities, such as the subway, and therefore are suited to people who don't have automobiles but need mobility, are more and more becoming adult only. That situation is exacerbated under conditions of a tight housing market such as we have right now.

Developers by the nature of their trade, are more or less compelled, in order to get a greater profit, to make their most desirable buildings adult only buildings unless they have a very strong social conscience. They are not a group noted for having a strong social conscience but the profit motive, for various reasons, leads to adult only buildings despite the fact that in certain cases groups of three or four young adults, for example, can be far more disruptive and destructive than your normal family.

Of course, tremendous discrimination takes place here. There is an assumption that the family which might come in to rent that



apartment is going to have three kids under the age of six and they are going to tear the place apart, run the elevators up and down, scrawl graffiti in the corridors and have their tricycles where everybody can trip over them. That, of course, is a gross stereotype of the typical family.

In particular, those developers who say apartments aren't a suitable environment for families don't realize that in excluding families from their accommodation, they often compel them to take semi-basement apartments and other accommodation which is far less suitable.

They also presume to make decisions about family circumstances which families themselves are surely best capable of taking. A young mother with a two- or three-year-old kid, for example, may not like living on the 17th floor of a building over the Wellesley subway, but it may happen to be close to her day care, within steps of her job at Queen's Park and allow her to go back to the day care at lunch time to be with her child. That may be a better solution for her than to be out at Bayview and Sheppard in a building which permits families but involves a 45- or 55-minute journey for her to and from work and isolates her from her child from 8 a.m. to 6 p.m.

So those decisions ought to be left to the individual. Moreover, the discrimination ignores the fact that we are growing into an area where there are more and more atypical or untypical families. The mother, father and two or three kids kind of situation is being supplemented now by divorced people, unwed mothers, and all sorts of situations like that.

[10:30]

In Quebec this kind of discrimination is outlawed; it is just automatic, and it is in the civil code. That's what the situation should be here. The game plan should be the same for every place else.

The situation would be intolerable if the Urban Development Institute were to send letters to tenants saying, "Did you know that the city of Toronto was passing a law which could permit a black or a Jew to live on any floor of your building?" Yet nobody raises an eyebrow when letters of exactly that same wording are sent out, except they refer to the possibility of the city of Toronto passing legislation to stop adult-only buildings.

When we contacted the European people—

**Mr. Haggerty:** Mr. Chairman, the hour of 10:30 is here.

**Mr. Cassidy:** I realize that. I beg indulgence for a minute or two because I cannot be here at the beginning of the session tomorrow.

**Mr. Haggerty:** How long are you going to be? If I know you, you will be an hour.

**Mr. Cassidy:** No, I will not. I am about to ask the minister to answer, and we can take this up at a future time.

In West Germany, when we contacted them in our research on this, they did not understand what was meant by an adult only building. This concept just simply escapes them. The situation therefore—

**Hon. B. Stephenson:** It is North American, of course.

**Mr. Cassidy:** It is North American. My question is, Madam Chairman if we outlaw age discrimination against people who are over 40, what are you going to do for the kids?

**Mr. Chairman:** It is Mr. Chairman.

**Mr. Cassidy:** Madam Minister.

**Hon. B. Stephenson:** Were you called Madam Chairman again?

**Mr. Bounsall:** He doesn't discriminate at all.

**An hon. member:** She is a take-charge person.

**Mr. McPhee:** We document this. We turn our research over to the city of Toronto. We are aware that it is a significant problem. The question of whether or not it should be in the code or dealt with through some other kind of legislation, I think is one that the policy level has to decide.

**Mr. Cassidy:** If your study suggests it shouldn't be in the code—and I don't see why it shouldn't be—

**Mr. McPhee:** No, I didn't say our studies suggested that at all.

**Mr. Cassidy:** But if you conclude that action is necessary, is it within your powers to make that recommendation publicly?

**Mr. McPhee:** It is one of the recommendations we have put before the commissioners. I am now talking as a staff person reporting to a commission that they should look very seriously at the situation in this current review of the code.

**Mr. Cassidy:** Could I ask your views, Madam Minister, before we conclude for the

evening? Your attitudes have been refreshing on a number of other subjects raised this evening. Would you be sympathetic to this problem? I noticed you listening very carefully as I expounded on it.

**Hon. B. Stephenson:** I was interested in the examples which you were citing. I am aware of the problem, because I have had patients who have had to deal with the problem. As one of the parents of a rather large family, I should hate to have to be faced with looking for rental accommodation right at this point.

It is, I think, a major problem of our society. It has to do with the total attitude of our society regarding other people. We have become, I think, totally selfish. Each one of us says "This is fine if it is a problem for somebody else. As long as it doesn't affect me, it is perfectly all right."

But there are people who choose to live in specific circumstances. I can certainly see the point of ensuring that an adequate number of buildings do not prevent the presence of children. There are some elderly people, and I have talked to a number of them who don't want to live in an apartment building, or any other kind of accommodation, where there are small children.

They have a fear of this, just like the veteran's widow's fear of someone of different ethnic background. I don't quite understand the fear, but nonetheless it is there. It is a human emotion which I think we have to recognize.

I certainly do agree there has to be an increase in the amount of accommodation

which is available for single parents and for both parents with families because it is a major problem.

**Mr. Cassidy:** Are you aware that the amount of accommodation is diminishing by the week?

**Hon. B. Stephenson:** Yes.

**Mr. Cassidy:** Are you prepared to act to stop that?

**Hon. B. Stephenson:** I think we are prepared to discuss this within the executive committee, and this has already been raised.

**Mrs. Campbell:** Mr. Chairman, again I would like to point out that I did not say, with respect, that they were fearful of people of other nationalities.

**Hon. B. Stephenson:** No, no.

**Mrs. Campbell:** I said they were afraid because they couldn't get into accommodation and that feeling turned to anger. No one answered my question as to what you're prepared to do to try to help to promote these housing projects so that we can get them looked after too.

**Hon. B. Stephenson:** Which means adequate housing for that group as well.

**Mrs. Campbell:** That's right.

**Mr. Chairman:** We will be able to continue this discussion tomorrow after question period.

The committee adjourned at 10:35 p.m.

## CONTENTS

---

Wednesday, November 12, 1975

Industrial relations programme, concluded .....	S-271
Human Rights Commission programme .....	S-273
Adjournment .....	S-295

## SPEAKERS IN THIS ISSUE

---

Bounsall, E. J. (Windsor-Sandwich NDP)  
Campbell, M. (St. George L)  
di Santo, O. (Downsview NDP)  
Haggerty, R. (Erie L)  
Mackenzie, R. (Hamilton East NDP)  
Mancini, R. (Essex South L)  
Newman, B. (Windsor-Walkerville L)  
Norton K. (Kingston and the Islands PC)  
Stephenson, Hon. B. Labour (York Mills PC)

### Ministry officials taking part

Armstrong, T. E., Chairman, Ontario Labour Relations Board  
Brown, G. A., Assistant Director, Ontario Human Rights Commission  
Kinley, J. R., Ministry Co-ordinator, Policy Development  
McPhee, R. W., Director, Ontario Human Rights Commission.





Government  
Publications

*Legislative Assembly*

# Legislature of Ontario Debates

**SUPPLY COMMITTEE**

**ESTIMATES, MINISTRY OF LABOUR**

OFFICIAL REPORT — DAILY EDITION

First Session of the Thirtieth Legislature

**Thursday, November 13, 1975**

Afternoon Session

Speaker: Honourable Russell Daniel Rowe  
Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975

## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MGS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.

## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

---

THURSDAY, NOVEMBER 13, 1975

The committee met at 3:30 p.m.

#### ESTIMATES, MINISTRY OF LABOUR (concluded)

On vote 2104:

**Mr. Chairman:** I will call the committee to order and we will continue with the estimates. Mr. Bounsall.

**Mr. Bounsall:** Yes, I have one comment. I won't repeat what I said in my opening statement.

**Mr. Sargent:** You have been known to do that.

**Mr. Bounsall:** I could. I might be encouraged to do just that.

**Mrs. Campbell:** You wouldn't have the heart, after keeping us waiting half an hour.

**Mr. Bounsall:** There is one incident which I want to inquire about. It is regarding the information turned up by the Civil Liberties Association's Alan Borovoy in September or early October. They did the survey of the 1,300 firemen in Toronto and found that there were only two non-whites amongst them. This was causing the Civil Liberties Association some real concern.

Were you aware of the situation before that, or having been made aware of it by that survey in that publication, what steps did the Human Rights Commission then take? What action has taken place?

**Mr. McPhee:** Perhaps I will make a brief comment and ask George Brown to follow up on that and speak to it.

When we became aware we immediately wrote Mayor Crombie and offered our services. We also reminded the mayor that several years ago the city council had passed a resolution inviting the commission to take a look at city employment practices. But that was rendered dead by four complainants who insisted—which was their right. They proceeded with a complaint which ultimately became a board of inquiry. It was the longest board of

inquiry in the history of the code, as a matter of fact. I think I'll ask George to speak on that because he did meet with the mayor and the other officials who carried through on the firemen's issue.

**Mr. Brown:** I do not think we were aware of the fact that visible minority groups were not represented on the staff of the firemen before this issue broke. Whether or not it was chicken or egg we don't know, but since it was published I've met with Mayor Crombie and Mr. Humphrey, the commissioner of personnel, and Mr. A. L. Stevenson, executive director of the management services department.

The idea was to broaden the base of their affirmative action committee and to review the full employment practices of the city. One thing we found was that jobs for firemen have not traditionally been advertised in the media. They have kept a long list of people who have applied over the years and whenever vacancies occurred they were recruited from this list. Among the lists they have there are no visible minority groups.

That is one of the areas that they are taking a critical look at. The mayor's very concerned about that list because it seems to become incestuous after a while in terms of the kind of groups who traditionally apply for jobs as firemen. Our services would be used with that committee in a review of the employment practices. It's a wholesale review of the employment practices of the city which is being undertaken.

**Mr. Bounsall:** Not just the firemen, but all the city departments, is that right?

**Mr. Brown:** All the city departments yes.

**Mr. Bounsall:** And this has all occurred since Oct. 1?

**Mr. Brown:** Yes. They were looking at it before, with particular emphasis on equality of opportunity for women. Since this thing has broken—

**Mrs. Campbell:** In every department?

**Mr. Brown:** —it has now broadened the base of that committee.



**Mr. Bounsall:** By incestuous, I suppose you mean relatives?

**Mr. Brown:** Yes, there are some.

**Mr. Bounsall:** Is this particularly in the area of firemen or throughout the whole of city hall practice?

**Mr. Brown:** I would not venture to say it is the whole of that. I think from our discussion with fire departments across the province it seems, and I want to underline that it seems, as if some nepotism has been traditionally present.

**Mr. Bounsall:** One final question to the minister: When might we expect the changes to the Human Rights Code that we have talked about and heard about now as being reviewed? When might we expect those to come forward?

**Hon. B. Stephenson:** I would anticipate when the review of the Human Rights Code is completed by the commission.

**Mr. Bounsall:** When do you anticipate that?

**Hon. B. Stephenson:** Within this calendar year.

**Mr. Bounsall:** So we would expect it no later than next session? No later than the spring session?

**Hon. B. Stephenson:** Next session? Well, I am talking about a calendar year from this date. I would anticipate that we would have them by the end of November, 1976.

**Mr. Bounsall:** So the calendar year you refer to is next calendar year, not this calendar year?

**Hon. B. Stephenson:** Not this calendar year. All right.

**Mr. Bounsall:** How long has this group looked at the changes now? Has it just started?

**Hon. B. Stephenson:** They are just beginning the review of the whole code, yes.

**Mr. Bounsall:** You anticipate legislative introduction by perhaps a year from now?

**Hon. B. Stephenson:** Yes.

**Mr. Bounsall:** Do they have, or do you have an anticipated finishing date for it? Is it June that we are looking at, or the end of the summer?

**Hon. B. Stephenson:** We have not set a specific date for them. They have been asked to complete it within one year. It's a monumental task to explore the entire code and to make the recommendations which they feel are necessary.

**Mr. Bounsall:** I would have hoped that they might do it quicker than that. Why isn't there an ongoing review? It seems to me that if one has a code or any piece of legislation, and then one sits back, and figures that's it; then when you go to revise it in a major way, as perhaps you are contemplating, I can see why it may take some time. But the solution surely—

**Hon. B. Stephenson:** Probably because the personnel of the commission has changed rather dramatically and the chairman has changed. I do not know why there was not an ongoing review before this.

**Mr. R. D. Johnston:** There has been, in the sense that we have amended the code I think, 17 times in the last 13 years. It has not exactly stood still.

**Hon. B. Stephenson:** It may have been investigated from time to time.

**Mrs. Campbell:** It's not exactly ongoing, either.

**Mr. R. D. Johnston:** Would you like it twice a year?

**Mr. Bounsall:** That may be thought of as being an ongoing review. I am not so sure that it is, but if it wasn't, that gives credence to the fact that it is going to take a year for this intensive review of it. I would suggest that if you had more of an ongoing review, so that things aren't static, it shouldn't take a year from the time you decide to come up with even the type of overhaul which you have suggested may be taking place.

**Hon. B. Stephenson:** I would anticipate that if the membership of the commission remains as it is at the moment, there will be an ongoing review from the time that they complete this total review of it.

**Mr. R. D. Johnston:** The thing to bear in mind, and perhaps it has been mentioned before, is that this review is taking a rather different form than a merely internal review. There are going to be public hearings in, I think, 20 different places. All but one or two of the commissioners are quite new, so that it's at least partly an opportunity for all these new commissioners to get a feel for the views of various parts of the community right

across the province. That's why it is more time-consuming than something that might be done without public hearings, or without briefs being submitted.

**Mr. Chairman:** Mr. Johnson (Wellington-Dufferin-Peel).

**Mr. Johnson:** I have a couple of questions, one, Mr. Chairman, in relation to the distribution of Workmen's Compensation cheques. In my riding this does create a problem. It is a rural riding and some of the people have to travel 40 or 50 miles to pick up their cheques.

**Mr. Chairman:** Excuse me, I don't think that comes under this vote, Mr. Johnson.

**Mr. Johnson:** All right, I'll disregard that then.

**Mrs. Campbell:** It is a human right to have your cheque.

**Mr. Johnson:** The other question I have then, and we were discussing this last night—I believe you were quite interested in this, Mrs. Campbell—is the retirement age. Instead of compulsory retirement, I would like to suggest that we have a phased out retirement plan—we could call it progressive retirement—with four weeks' holidays with pay after 25 years of employment with a company. Does this come under this vote?

**Mr. Chairman:** It should come under the next vote, I believe.

**Mr. Johnson:** At the age of 65, you could have four weeks' holiday with pay, four weeks' absence without pay—and a 44-week regular work pattern. The next year, it would be the same four weeks' holiday with pay, eight weeks' absence without pay, and a 40-week regular work pattern. The following year it would be the same four weeks' holiday with pay, 12 weeks' absence without pay and 36 weeks' regular work.

This would continue until age 75, when you would have four weeks' holiday with pay, 44 weeks' absence without pay and just a four-week regular work pattern. Thus, with the option to retire at any time, employees could pick months for the first five years as long as they were not consecutive; and exceptions could be made. Supervisory positions would have to be given up, but there would be no cut in pay. It would be a way of phasing out compulsory retirement.

**Mrs. Campbell:** I wanted to pursue the questions that were before us. Do I understand that with the ongoing review there will

be no opportunities for specific change within that year? Some of us had some very strong feelings about changes so far as discrimination is concerned in classes, if I can put it that way. Does that preclude any change within the year?

**Hon. B. Stephenson:** I wouldn't think that it would preclude it completely. One, I suppose, might make some amendments to the existing code in anticipation of the total amendment of the code, on the basis of specific examinations which the commission holds, particularly in relation to problems which may arise from time to time in their public exploration of the way in which the code is working, and the kind of problems which are raised by members in the House and others. I would not anticipate that the entire code would be amended until the total review is completed.

**Mrs. Campbell:** Oh, no, that's fine. I just want to say that we can get on with some of the things which are urgent within the time period before a year.

**Hon. B. Stephenson:** I think one of the things that we probably have managed to do is to pinpoint some priorities for the commissioners for their consideration in the near future and between public hearings, which should, I hope develop some recommendations for the commission.

**Mrs. Campbell:** I have indicated some of my concerns, Mr. Chairman, and I cannot see why those changes can't be made almost immediately.

**Hon. B. Stephenson:** Mr. McPhee, I can tell you, made extensive notes of your concerns last night and he has all of those notes, and also Mr. Newman's and everyone else's.

**Mr. Mancini:** He must have written a book.

**Hon. B. Stephenson:** Yes, he did.

**Mrs. Campbell:** A snide remark.

**Mr. Mancini:** That was a compliment, Margaret.

**Mrs. Campbell:** I'd be guilty of discrimination if I said what I thought.

**Mr. di Santo:** Mr. Chairman, I would like to make a quick, final remark. Yesterday we spoke about some feelings which are widespread among the black and Eastern communities in Toronto, and one of their concerns is their poor relationship with the police. Probably you are aware that in 1973, the Civil Liberties Association submitted to

the Task Force on Policing in Ontario a recommendation for the creation of an independent citizens' committee on police relations—with staff, budget and legal power to investigate cases and establish boards of inquiry if necessary.

I'd like to ask you whether you intend to take any action in this respect?

[3:45]

**Hon. B. Stephenson:** That recommendation was made to the Metropolitan Toronto board and I am not sure whether or not they have taken any action on that. Would you know, Mr. McPhee?

**Mr. McPhee:** There is a new police complaints bureau—

**Hon. B. Stephenson:** A bureau, yes.

**Mr. McPhee:** —but it doesn't meet the recommendations of that committee.

**Mr. di Santo:** Do you think, within the framework of the Human Rights Commission, is it possible to establish such a committee?

**Hon. B. Stephenson:** Not within the present framework of the Human Rights Commission of the Province of Ontario. I think the recommendation could be made to various municipalities that perhaps this might be a good idea.

**Mr. di Santo:** In other words, you don't think it should be a provincial body or under provincial jurisdiction.

**Hon. B. Stephenson:** If it were a province-wide problem I think it would have to be considered as a potential activity for provincial action. But, specifically, we know that the problem occurs primarily within the larger metropolitan areas. The recommendation which was made by the Civil Liberties Association was made, as you know, to the Metropolitan Toronto board.

Vote 2104 agreed to.

On vote 2105:

**Mr. Chairman:** We'll just wait a moment until the staff changes.

**Hon. B. Stephenson:** Yes, please. Could I answer one of the questions Mr. Bounsall asked last night? I have the information now.

**Mr. Chairman:** Yes, go ahead.

**Hon. B. Stephenson:** If you remember you asked Mr. Armstrong last evening about

the number of applications for judicial review of arbitration awards. Mr. Armstrong has had the matter researched at the Supreme Court offices and there have been five such applications filed from July 1, 1975, to the present date. He says the rate of filings, therefore, appears to be remaining relatively constant because in the previous 36-month period there were 51 applications filed for judicial review.

**Mr. Bounsall:** Thank you.

**Mr. Chairman:** I guess you had something on item 2, Mr. Johnson.

**Mr. Johnson:** What would this be?

**Hon. B. Stephenson:** The question about the Workmen's Compensation? It doesn't really—

**Mr. Chairman:** No, it's employment standards, sorry. Mr. Bounsall.

**Mr. Bounsall:** I am conscious of the fact we have agreed to finish at 6 o'clock tonight and this is one area we could go on and on about. I'll restrict my remarks quite severely on this, in the interest of other areas we'd like to discuss.

I mentioned, in opening, the whole problem and the need to get from 48 to 40 as the hours of work beyond which people could not be required to work overtime; that overtime pay should also be dropped from the present 44 to 40; the minimum wage; and various other problems pertaining to the Act, particularly the equal pay for work of equal value introduced into the Act in lieu of the present situation which simply says equal work for substantially the same pay which, of course, does not really take into account the proper pay for those jobs which are women-only jobs.

The one area which I think really needs looking at, which was completely missed in the revised bill we got last year, was the termination pay section of that Act. In the estimates a year ago and during the discussions of that bill and in committee, allusions were made to your ministry working out some sort of an agreement with the Unemployment Insurance Commission, because termination pay gets involved with payments received from the Unemployment Insurance Commission. You had discussions or discussions were about to take place or taking place with respect to where, in the legal line of things, employees' pay came in.

As we understand it, and have understood it, when a company goes bankrupt, the em-



ployee finds himself in third place in terms of collecting the pay owing to him or holiday pay, as well as normal pay. Certainly, in many instances, he doesn't even receive termination pay, which is provided for in the Act.

The ministry was supposedly proceeding at that time with a request to the government of Canada. If they weren't going to take any action, then Ontario was to do something provincially to ensure, when a company goes bankrupt, that not only termination pay in your Act, but their holiday pay or even their last pay for work was received. This is not the case at the moment, at least certainly in the termination pay section. If that is proceeding, I would like to hear a report on that.

I suspect nothing has really been worked out yet, and this leads me to a suggestion I have made before that there should be a termination pay insurance fund which would not require much in the way of mechanism. Collections could be made by the Workmen's Compensation Board, for example, at the time an employer sends in his WCB assessment. There would be a minuscule amount required, thankfully, for the number of firms that go bankrupt over the period of a year. But for the employees caught in those situations, it is quite a desperate situation.

That sort of insurance fund—equal to the amount that I suspect would be paid out over the course of a year—should be available to all employees to give full holiday pay and pay for the last week's work, if that has been lost, as well as the termination pay. There is no mechanism that I know of yet that would ensure this. And this would be a very simple easy way of ensuring that those employees got paid and got paid at the time termination occurred.

When you get into bankruptcy and receivership and what have you, even if employees were No. 1, you are going to have delays in their receiving the money. One could easily work out a scheme, even if employees were No. 1, that you still have this fund in order for them to receive their pay at the time they need it—that is directly after termination. It is the fund itself which could collect back.

Any moneys which it is determined should have been paid, will be available to be paid to the worker. That fund could then be reimbursed—a portion or perhaps even all of it, if that was possible. But that is going to take some months to do and there needs to be a mechanism where those workers are paid initially.

To turn to another problem which I see, the provisions of the termination section—

as I have not heard of any agreements reached with unemployment insurance. This section certainly needs to be updated pending any agreement you might arrive at in heaven knows what year. You are well behind the other provinces and jurisdiction in the lengths of time for which you pay termination pay. In Quebec, they receive one month's termination pay if they have worked one year or more.

**Mr. Sargent:** Bankrupt companies pay this?

**Mr. Bounsall:** No, this is normal termination pay. You have got an additional problem with bankruptcy. How do you get money at all in a bankruptcy? This is the normal termination pay in lieu of notice.

In Ontario, if you have worked for less than two years, it is one week only. That is a ridiculously short period. I feel very strongly that it should be one month after one year of employment. In Ontario, after two to five years' employment, you receive only two weeks' pay. I think that should be two months. After five to 10 years in Ontario, it is four weeks. I think that should be four months. And for 10 years or greater in Ontario, it is eight weeks.

That should be more like six months. Six months may sound like a long time. But you have some research studies in your own ministry which indicate that if an employee has worked 10 years or more at a firm and finds himself or herself terminated, they have not only the problems of retaining and finding a different job—in many cases at the age mentioned last night, over 40, which makes it difficult for them to get a job in any event—but they need time to overcome real psychological problems that arise from finding themselves without a job.

You need to have a reasonable length of time. Six months is the minimum, I might suggest, for someone who has worked 10 years or more for a company. Those sections in the Act for termination pay just cry out to be changed and re-thought. The number of weeks of payment should be increased. I might state that it does complicate unemployment insurance if one has decent termination pay provisions in the Act. It may be such that the person may not receive any unemployment insurance because the termination pay provisions of this Act go beyond what his weeks of eligibility may be. If he worked 10 years or more, of course, then he will have unemployment insurance payments after that hoped-for six months' period. That would no doubt continue for some spell.

But there is a difference in philosophy here. If you are unwilling to change the Act because it complicates UIC—and UIC payment is a payment out of public funds, not from employers—we suggest that you remember that it is the employer who should be paying, not the general public out of unemployment insurance. Of course, we all know that payments go into the unemployment insurance fund but that fund continually over-runs the payment in, so we are subsidizing the UIC fund. I am saying there is a difference in philosophy. If there is a choice between UIC and termination pay in the provisions of your Act, employees should receive their payment at the expense of the companies, rather than from a fund to part of which the entire taxpayers are contributing.

I would like to know exactly where your negotiations are at the moment with respect to this. Are you holding back because you haven't worked out something with the unemployment insurance commission?

**Hon. B. Stephenson:** The amendments to the Unemployment Insurance Act will appear within the next several weeks, at the federal level. I will tell you now that legislation regarding separation termination will be presented to this House in the spring session.

**Mr. Sargent:** Along this magnitude? Six months' termination pay for 20 years?

**Hon. B. Stephenson:** I don't think I can tell you that rate at this point. How far are you willing to go?

**Mr. Sargent:** Well we managed to get our men nine weeks in Owen Sound now. Ted says six months; I think there should be a compromise there some place.

**Mr. Bounsall:** For 10 years or more, you really need some stringent provisions.

One other thing is this provision of 50 employees for a mass layoff before termination pay comes in. You know Quebec has 10. I have never understood why it should be 50. Twenty to me was always more reasonable. Quebec having thought through their scheme finds that 10 is sufficient for a mass layoff. I would hope that somewhere between 10 and 20. Why not follow Quebec and take 10 as the number for a mass layoff? This termination pay section of the Act hasn't been touched since it came in. When was that? In 1968 or 1969?

[4:00]

**Mr. Radford:** In 1971.

**Mr. Bounsall:** It came in in early 1971?

**An hon. member:** Yes.

**Mr. Bounsall:** That's 4½ years; it will be five years before it is touched. It came in really to meet a particular situation at Dunlop Rubber which arose at the time, in which the employees were thrown out on the street with absolutely no consideration at all given to them. It really came in to clear up that specific situation, which it met in a sense. It was viewed only as a start, but like so many Acts it is five years before we do anything about it—after conditions have changed and we have seen how the Act operates.

I think you should do something at that time about the temporary layoffs, because there are many ways around that temporary layoff clause. I have gone into it in other estimates, but there are employers in Ontario who aren't required to pay termination pay if the layoff is a temporary one, 13 weeks or less. They make it a practice to lay off on a temporary basis and in the 12th week they offer the employees a job in another part of the city, a job they can't get to, or make some sort of an offer they know the employee cannot accept. The employee thus finds himself in a position of having to turn that offer down. Technically, therefore, the employers have met the provisions of the Act. The employees have been made an offer, an offer which they in no way can accept, and the employer gets away without paying them any termination pay whatsoever. The loopholes that cause that to be allowed must be closed when you bring in those revisions to the Act.

**Mr. O'Neil:** How do you propose to pay for all of that?

**Mr. Bounsall:** If you were listening, you would have heard me say if it was going to be a real problem for employers to do that—and note that you get pay in lieu of notice only. What I am saying is that if companies can anticipate shutdowns for employees with service of 10 years or more, they should strive to give them the six months' notice. It costs them money only if the termination has to occur after that period. If, in bringing in these revisions, it seems that the employers find great difficulty in doing this, then we need a slightly expanded termination pay insurance fund—on a contributory basis—so that those employees can be paid directly out of the fund.

Interjections.

**Mr. Chairman:** Order, please.

**Mr. O'Neil:** They would contribute to this all the way along?



**Mr. Bounsall:** The employers—as they are required to pay moneys out of this fund now.

**Mr. Chairman:** Would you please direct your comments to the chair and questions to the minister?

**Mr. O'Neil:** I'm very sorry.

**Mr. R. D. Johnston:** I just want to make it clear that the review we are making of this admittedly seems somewhat prolonged. It is covering all of the areas you have mentioned and a number of others.

It is no secret that this is a contentious piece of legislation. It was drawn up in relative haste to meet the situation you described four years ago. It is a piece of legislation about which both employers and unions have expressed a fair degree of unhappiness. We have concluded that it really needs a fresh look and that it isn't just a matter of patching up what we have and changing some of the time limits and this kind of thing. As the minister has indicated, we expect to bring recommendations to her early in the new year.

I might also refer to a couple of other things that you mentioned. This idea of some kind of a fund from which pay could be drawn in the case of a bankruptcy is one we have looked at. We have studied the system in France. Together with one or two other provinces, I think, we approached the Unemployment Insurance Commission to see if there would be any possibility of them administering such a fund as a sort of a tag-on to the unemployment insurance fund. They informed the minister's predecessor that they weren't prepared to do that.

On bankruptcies, I believe there is a federal bill before the House that will give some relief—not all that I am sure we would like to see—but that seems to be bogged down on the federal order paper at the moment. I am just not sure where that's at.

**Mr. Bounsall:** Presumably that's one that would put employees' benefits owing to them in a different position relative to the present situation so that they might get a portion of that. But the problem still exists in time. You still have the time problem where it comes many months after. When the receiver has looked into the whole situation and determined what proportion can finally be paid out, they would be unlikely, I would expect, to receive 100 per cent of it. It comes many months later, rather than when it's needed right at the time. A fund through which they can receive those payments at the time they most need it, which is the time immediately

after they've been terminated, is still a highly desirable thing.

**Mr. Mancini:** I would like to talk about a different aspect of employment standards, something I haven't heard brought up yet. I'd like to ask the minister about the report of the task force on industrial training, entitled "Training for Ontario's Future." It was released on April 24, 1974.

**An hon. member:** That's under Colleges and Universities.

**Mr. Mancini:** Yes, I know it was released by Colleges and Universities.

**An hon. member:** I didn't know whether the minister did though.

**Hon. B. Stephenson:** Oh, yes, and it's still their responsibility.

**Mr. Mancini:** I see, so you are not going to do anything about it? You are not going to look into the 48 recommendations in that report?

**Hon. B. Stephenson:** I didn't say that.

**Mr. Mancini:** Then what did you say?

**Hon. B. Stephenson:** I said that presently, that whole area is within the responsibility of Colleges and Universities. I said before that it was transferred with some reluctance on the part of this ministry almost four years ago, and I have some doubts about the appropriateness of that position.

**Mr. Mancini:** Fine. Continuing right along with employment standards, I notice the fact that it was not many years ago in all these training programmes that people had to be licensed to work here and there for special jobs. This was just started a few years ago, and I realize that we had people who weren't licensed working on automobiles, say, in body shops and people doing pipe-fitting work without licences.

We have people like that with us today who are working and earning a living for their family and for various reasons cannot go to schools outside the area. Maybe a person lives in Windsor and has been in body work all his life but didn't have the opportunity to get a licence to be a licensed bodyman. They now want to send him to London for two years to take a course and he has to uproot his family and bring them there. It just doesn't seem the right way to do things.

Has the minister given any consideration to giving a licence to people for their work and for their experience in a job if the organization, or whoever judges them feels that



they are as capable as a man with a licence? Has that been given any consideration, and if not, will you? I've had specific cases and that's why I bring it up.

**Hon. B. Stephenson:** I have to tell you, quite honestly, that I have not given it any consideration. Has the employment standards branch?

**Mr. R. D. Johnston:** This is again the responsibility of the manpower training branch of the Ministry of Colleges and Universities. Certainly we have an interest in it, though perhaps not from quite the same perspective as you are expressing it. The construction industry review panel, which is a group that advises our ministry on matters to do with the construction industry and which I chair, is quite concerned about the whole state of apprenticeship training and apprenticeship examination.

I would think that they are probably looking at the other end of what you are talking about. Their concern is that there is some sort of slippage in a reasonably strict licensing and enforcement arrangement. They've been urging that if the manpower training is going to remain Colleges and Universities, then at least the enforcement side of ensuring that apprentices are properly qualified should be with Labour, rather than with the people who are doing the training.

**Mr. Mancini:** I think you have to realize that we are not talking about the up-and-coming apprentice people. We are talking about people who have already been in the work force long enough and have worked at the job long enough to be very qualified to do the job. They don't have this little ticket or this little piece of paper. They are making about \$3 an hour less and they have the same responsibilities as everyone else.

**Mr. R. D. Johnston:** I understand what you are saying. It is a school of hard knocks principle. Obviously there are countervailing views on this.

**Mr. Mancini:** What could be more countervailing than to send someone 150 miles from home for two years—

**Mr. R. D. Johnston:** But I can tell you that at least in those skilled areas where the trades are well organized, there would be a good deal of resistance to what you are saying from the trade unions which will just not accept anything less than a full apprenticeship, in terms of protecting their trade. Obviously there is another view that says there is lots of work to be done and lots of

skills around that are being wasted with that kind of strict approach. It is a very contentious issue that is hard to resolve practically, while keeping peace at least in that part of the construction industry that is organized.

**Mr. Mancini:** So you feel that the trade unions would oppose and reject this?

**Mr. R. D. Johnston:** I am almost sure they would be very resistant to it, at least in those areas where the trades are well organized. There are other areas where they are not heavily organized where it might still be possible to do that. I believe that the Dymond Report envisaged that what is now Colleges and Universities would be examining just what you are saying.

**Mr. Mancini:** Thank you. One more question, if I may. We have learned that in the Sarnia area they had to bring in 950 qualified employees to meet the employment standards of their jobs. Since that time, there have been individuals who I have talked to who have the same qualifications as the Americans who they imported to work in Sarnia. They went to ask for a job in that area and they were refused because they said there were no openings. Is your ministry giving any consideration to having Canadians employed first, if they meet the same standards as the imported Americans, or anyone else? We train people and then we are not using them.

**Hon. B. Stephenson:** We are exploring the entire area of manpower within the Province of Ontario with the hope that what will eventually happen is that the available places will be filled by Canadians who are residents of this province and who are trained to do those jobs.

**Mr. Mancini:** But is this something specifically where you are going to strike up a committee to look into it?

**Hon. B. Stephenson:** The committee is already struck.

**Mr. Mancini:** Oh, it is already struck. I hope it has not struck out.

**Hon. B. Stephenson:** No.

**Mrs. Campbell:** Could you tell me in some precise terms what has been done since the debate on the amendments to this bill with reference to equal pay for work of equal value? I'd like to know what your experience has been with reference to the punishment of women for asking for such equal rights and the elimination of protection at night at a time of growing violence. I would like to

know what your experience has been with—and I am sorry, I don't have the Act in front of me—the new portions which cause concern, for women particularly, with the grievance procedure where they weren't organized, whether or not they have had any protection, or what experience there has been.

**Mr. R. D. Johnston:** I am not sure I quite understand the third question. I might ask you to clarify that but on the first two issues, the whole concept of equal pay for work of equal value is being explored by a committee consisting of people from both inside and outside the government, chaired by Marnie Clarke who is here. She is the director of the Women's Bureau, and I believe they are just about ready to report.

When we have that report, we will decide whether we should recommend any changes in the legislation.

[4:15]

In terms of the second part of your question, perhaps Mr. Radford would have some comments about what our recent experience is in the use that is, or isn't, being made of existing legislation and whether there is growing evidence that people are afraid to use that legislation. Can you say anything about that?

**Mr. Radford:** The use of the existing legislation does not seem to be as large as we had talked about earlier, Mrs. Campbell. We have had one experience, since the Act went in, of people who were "punished" for seeking redress under that legislation. And we were successful in a court case in that, having found that the employer was guilty of having violated the Act, and redress was set up by the judge. But that's the only experience we've had. But we are very pleased that we have that as a precedent—and we were successful.

**Mrs. Campbell:** Well, it's encouraging.

**Mr. Bounsall:** What was the fine in that case?

**Mr. Radford:** I forget the exact amount, Mr. Bounsall. There was a fine, and the money went to the employees—the employees were paid. The reason I forget the exact amount is that it varied with the various employees. They were given compensation for the wages they lost and those who had a partial income during the period of lost wages, had that partial income deducted from the compensation. So the figures did vary for the various women. But they were compensated for the wages that they lost up until the time of the finding of the judge.

What happened was that they were terminated for seeking their rights under this Act, and that was taken to court and the company was found guilty.

**Mr. Bounsall:** Was the employer fined as well, or was he just fined in the sense of having to make the redress?

**Mr. Radford:** He was fined in the sense of having to make redress to the employees.

**Mr. Chairman:** Anything further, Mrs. Campbell?

**Mrs. Campbell:** No, I think I'll pass to the next vote.

**Mr. Chairman:** Mr. Newman.

**Mr. Newman:** Mr. Chairman, the issue that Mr. Mancini brought up concerning the individual who is competent for a certain type of employment but who isn't certificated in the Province of Ontario—that poses a real hardship for the person who comes into our jurisdiction. I've had case after case where an individual coming in from some other country has the certification from that country, but under no circumstance could pass any type of written test, even one consisting of putting check marks in a certain area. Given a practical exam, he would have no problem whatsoever. Maybe we should be looking at this—I don't know whether this is your responsibility now—

**Hon. B. Stephenson:** It is.

**Mr. B. Newman:** We should look upon putting a little more emphasis on the practical, rather than on the ability to put check marks into brackets after a statement that he can't read—or if he uses an interpreter, may not be interpreted to him properly.

The issue I really want to raise with you Madam Minister is as a result of a layoff at the Dominion Forge Company in my own community. Back on September 3 a letter was written to Mr. Scott by the industrial relations manager of that company, a gentleman by the name of E. J. Marks. I wanted to know how you resolve this issue, because as far as I can understand it, he does have a just cause for complaint. The letter:

Dear Mr. Scott:

Twice within the last month important customers of this company, without notice, cancelled substantial orders for forgings. At our staff meeting we decided that we could not afford to take a chance that other customers would not act in the same manner and so on Friday, August 29, we posted

a notice advising our office and plant bargaining units that we would be laying off 150 people on October 24.

I have spoken to you in the past of the serious morale problems we have encountered whenever we abide by the provisions of the Employment Standards Act. In discussing the problem of morale with our international rep—UAW—and the reasons for the posting of a notice, he agreed that I should write to you.

It is the feeling of this company that the Employment Standards Act should be amended to discriminate between primary producers and supplier plants. A supplier is subject not only to the laws of supply and demand but to the whims of the customer as well as the competition of the marketplace. A supplier who is not given adequate notice of cancelled orders cannot, in turn, give adequate notice of impending layoff to employees.

If legislators are unable to differentiate between suppliers and primary producers, then, surely by this time they are aware of one of the most unfair aspects of the regulations.

When a customer's abrupt cancellation of business forces a company to abruptly lay off staff and where such company continues to make payments from a supplementary unemployment benefit plan to its laid-off staff for up to 52 weeks, why should the company be required by legislation to make additional payments to the laid-off employees for failing to give them the legislative period of prior notice?

This requirement becomes even more unrealistic when one finds that legislators have rules that a person laid off for 13 weeks is deemed to be a terminated employee whereas ours and many other collective agreements provide that an employee is not involuntarily terminated by lawoff unless he has been laid off for 156 weeks or the length of his seniority, whichever is the greater.

I resent having to place our employees on notice of layoff. However, in view of the legislation as presently written we have no reasonable alternative.

What was your reply to that?

**Mr. Radford:** In this particular case, as the company has supplementary unemployment benefits which continue for a period of 52 weeks, a temporary layoff can continue for the same period.

The question you have raised about recall rights and a person's seniority on layoffs—in

that particular instance—is a question which is one of the very important questions in our review of the termination legislation, of union contracts and recall rights.

As far as Dominion Forge and Stamping was concerned, it was a misunderstanding on his part of the temporary layoff definition because a temporary layoff may continue as long as the people are on supplementary unemployment benefits—for the length of the time they are on supplementary unemployment benefits.

**Mr. B. Newman:** Did you reply to him by letter?

**Mr. Radford:** Yes, I believe we did.

**Mr. B. Newman:** Would you mind sending me a copy?

**Mr. Radford:** Yes, I will.

**Mr. Chairman:** Item 2 agreed to.

On item 3:

**Mr. Bounsall:** Has there been any increase in the type of programme under this employment adjustment service? I gather that in the past what has been done is that you go in and assist groups of employees in a given area who have found themselves unemployed—or you can anticipate employment coming—and there seems to be not much opportunity through Manpower and one sees the employee simply collecting unemployment insurance benefits. By and large you leave things up to Manpower but if you can spot a problem area, in the past you have gone in with some employment advice. Is this essentially the same type of service you are offering?

**Mr. R. D. Johnston:** Mr. Radford may want to add to my remarks on this. This whole thing is in a kind of state of transition.

If you have read—and I know you have—our ministry role review, we foresee for the future a rather different initiative in this area. We will still have to keep up with our legislative requirements as they relate to what we are meant to do when we receive notice of termination. We will still certainly be involved with employers and, in some cases, trade unions and with the federal Manpower people in trying to assist employees when a plant closes down or something of this kind. We are still doing that and there is an ongoing activity of that kind.

In addition, we are moving toward something we have called an employment advisory service which will attempt to take a broader approach to counselling employers who seem



to be having difficulty keeping employees—not just because of the lack of business but perhaps their working conditions aren't adequate. That doesn't just mean necessarily pay and fringe benefits. We will try to have a small group of advisors who can help employers make more productive use of the workers that are available. This will probably be mainly in the unorganized area, but it could also be small employers in the organized sector as well.

So there is a new approach developing on this that we hope would be in place by the beginning of the fiscal year when our reorganization is complete. I should add though that we have very limited resources available in this area. We don't see much likelihood of further resources being made available. In fact in the current budgetary scheme of things this will be something that will probably be threatened, as we try to divide up our financial pie as best we can.

**Mr. Bounsall:** There's one other question I had. The estimates for this particular year are more than double what they were last year. Looking at the detailed breakdown—which doesn't tell us much, however—a lot of it is in the service area. I don't know whether that's a tremendous increase in the service area over the year previous, but almost half is in the services area. What took place there in this past year or anticipated for the rest of this year that gives rise to that large surface amount? Were you contracting out research that is charged here?

**Mr. Radford:** There are two areas we are conducting in the employment adjustment services. There's the one for assisting people, where we have notification of a layoff or a termination in excess of 25 employees. In that particular area we do an initial investigation, talk to the employees and the employers, or if there is a union we try to get them to agree to what we call an MAIA committee—it's a Manpower Assessment and Incentive Agreement. This means getting down together and working out readjustment programmes for the employees—what jobs they can do, how they are going to do the layoffs. This is done in conjunction with Canada Manpower Services.

These committees are set up in such a way that the Ministry of Labour is committed for financial support up to a percentage of the cost of running the committees. The employer supports the majority of the costs, but we are committed to support them to an extent.

We've got 29 ongoing committees at the present time, and we have a target to carry on with that particular form of adjustment. In every case where we find that over 25 employees are being terminated, we go in and attempt to set up one of those committees. We also have an ad hoc arrangement where if a committee can't be set up we consult with other ministries to see if something can be done—Industry and Tourism and etc.

The second programme is in employer advisory services. In that particular area we have carried out a project in one Ontario city, Brantford, to study the types of industries where there are large employee turn-overs. After that, our two people who are on that field staff are now completing a survey of another 20 Ontario communities.

In addition, we are doing research and collecting material and offering the services of the Ontario Ministry of Labour to companies and to assist them where they have these problems. In that area we are getting reprints and copies and cards going out, and we are using a fair amount of our budget in establishing material that we can assist these people with.

We have those two separate programmes and the costs are in the material for the employment advisory service and in the MAIA committees in the case of people being terminated.

**Mr. Bounsall:** Both sides of your programme?

**Mr. Radford:** Both sides of the programme.

**Mr. Bounsall:** This year? The members of those MAIA committees—that has materially increased over the year previous?

**Mr. Radford:** Yes it has. In fact we have got a very active list going, and we try to encourage them on every occasion. We're getting far more co-operation with the employers and the unions in getting MAIA committees set up.

[4:30]

**Mr. Bounsall:** How do these committees come to termination? When you have placed all the employees, or when do you decide that it's time to terminate the programme?

**Mr. Radford:** The programme is chaired, primarily, by Canada Manpower consulting services with our support and our input and we sit in on some of the meetings. When they decide there is nothing further they can

do and that they have gone as far as they can in setting a readjustment—some of these are successful and some not, but they have gone as far as they can go—and there is no sense in expending further funds on MAIA committee.

**Mr. Bounsall:** These MAIA committees are funded mainly by the employer, you say, with contributions by yourselves and chaired by Canada Manpower?

**Mr. Radford:** And a contribution by Canada Manpower consulting services. Our contribution varies. It's 25 per cent to one-third, or the contribution is down as low as 10 per cent, but, roughly speaking, our contribution runs around 25 per cent and that of Canada Manpower consulting services is anywhere from 25 to 50 per cent and the remainder is by the employer.

**Mr. Chairman:** Item 3 carried.

Vote 2105 agreed to.

On vote 2106:

**Mr. Chairman:** Item 1. Mr. Bounsall.

**Mr. Bounsall:** Yes, here again one is tempted to pass this particular vote except as it relates to general policy. Would it be under item 1 where you ask about the plans for equal pay for work of equal value, Mr. Chairman? Is this where that would come—the committee which is ongoing?

**Hon. B. Stephenson:** It doesn't make much difference.

**Mr. Bounsall:** It really doesn't matter, okay. We'll ask it here then, but there is quite a startling increase in the estimate required. Is that because the 1974-75 estimate was a partial year?

**Mr. R. D. Johnston:** Partly that but also because it was International Women's Year and we had a lot of one-shot activities which we funded this year.

**Mr. Bounsall:** It shows only \$60,000 going to transfer payments to community groups. Did more of the services moneys of \$113,000 go for that particular effort?

**Mrs. McLellan:** In addition to the transfer payments of \$60,000 which are included in the estimates there was a further \$260,000 for grants and operating expenses in International Women's Year.

**Mr. Bounsall:** So, in addition to the grants to community groups there were a lot more additional grants as well?

**Mrs. McLellan:** There were several programmes in International Women's Year, Mr. Bounsall. One was a grant to community groups and organizations to undertake a project in International Women's Year and 155 groups did benefit from this programme. The actual amount that we made available to them was over \$70,000. In addition, we funded a programme for students during the summer months to provide information in 20 communities throughout Ontario, taking information on women's issues to these various communities, and that is part of the money which went for staffing. There were also publications. There was a conference on affirmative action, but a major part of that International Women's Year was a special amount that was set aside to begin working with employers and unions on bringing affirmative action to the private sector.

Those are the three main aspects of the programme. Those funds are just available for this year and they're not to be—at least at this point in time there is no commitment—that they'll be carried forward.

**Mr. Bounsall:** We are only part-way through the year, but how has that affirmative action programme that you have just mentioned worked so far with employers and unions?

**Mrs. McLellan:** We may only be part-way through the fiscal year, but in terms of International Women's Year, it officially comes to an end on Dec. 31, 1975. So we had planned our programme to that end.

In terms of how the affirmative action programme is going with the employers, we are really quite pleased with the response that has come forward from the private sector, and the Women's Bureau, which have been working with them, has now made initial contacts with over 100 employers. We are doing follow-up work with a further 60 of that group.

**Mr. Bounsall:** Is this a programme which you'd like to see continued?

**Mrs. McLellan:** Yes, very much so. We have asked for it and it will be in next year's estimates. We would like to see it continued.

**Mr. Bounsall:** Have you any measure of how successful it is? Did you get a good response? How do you measure what happens

thereafter? So you get a good favourable response. They say, perhaps, to you that it's something they should be doing, and what-have-you. What then happens? How do you measure the—

**Mrs. McLellan:** Why do we want to continue the programme?

**Mr. Bounsall:** No, no. I can see why you want it, and I would encourage you to do that. Let's say you go out to employer "X" and employer "X" gives you a good response. You point out various things that that company should be doing, ways in which they can improve, suggestions they hadn't thought of, in various areas. You say you did follow up. First you get a good response.

**Mrs. McLellan:** Yes.

**Mr. Bounsall:** This, I would say, comes to you verbally. What then happens? Do they take off on your programmes and then follow up just to measure that? And what is that showing?

**Mrs. McLellan:** Maybe I could just expand the response. The response was an invitation to the staff of the Women's Bureau to actually come to their company and give them the presentation and to begin to work with them. The follow-up is the second invitation. In other words, we have been back more than once to see these companies and to indicate the parameters of an affirmative action programme, at least in getting them started.

We have that much structure in place now. If you are asking how we know when women get out of the job ghettos and move up, I think that will take a little bit longer. We are expecting, perhaps, that the pressures within the company itself may make a judgement on those results, but it is really to get them started to work in the area of equal opportunity, to start thinking that way and changing their rather traditional attitudes. That has been our initial approach, because it is a voluntary programme and it is not mandatory so that there is a good deal of moral suasion involved here.

**Mr. Bounsall:** Have you had any outright refusals?

**Mrs. McLellan:** I would hate to think so, but I suppose some who have shown less interest than others.

**Mr. Bounsall:** I would think that the degree of interest would vary, of course. I just wondered if you have had any outright refusals to date?

**Mrs. McLellan:** Marnie, have we?

**Ms. Clarke:** Yes. We certainly have had companies which have said: Well, that is all very interesting, thank you very much. We knew that we wouldn't likely hear from them again. And we are keeping files on all the companies, obviously, and what is happening with each company. We have been really quite pleased with the response.

At least 58 companies at this point are in the process of establishing a programme. But you have to remember, when you are talking about an affirmative action programme, you are talking about a three- to five-year—well, maybe in two years you can begin to fathom whether things are going to start moving—but three to five years to really have an excellent programme on the move.

What we basically do is to suggest model programmes which they might like to adopt and we will also help them to adapt it. One of the first things which we request is that they appoint a senior management person to supervise the programme so that right away there is someone with clout at the top who will deal with the programme and who can contact us at any time for assistance.

**Mr. Bounsall:** Can you tell us a bit more about the programme? Let's say I am an employer. You have just contacted me and I show some interest, and say, yes, I'd like to be told something. And you then walk in with the suggested programme which could be modified. What am I looking at?

**Ms. Clarke:** First of all you are looking at where the women are in your corporation; looking at them division by division. What are some realistic goals you can then establish for women in your company? And we don't talk quotas as they do in the United States. We do talk goals and objectives. What is a realistic goal for each division in terms of training women, not just to move vertically but to move into broader occupational areas and perhaps to move horizontally.

For example, one of the companies stated quite clearly that it would be impossible to promote women to management positions because they must all start at the plant level. Of course, the suggestion was, "Well, why aren't you recruiting women at the factory level?" At this point in time they are in the process now, for the first time, of recruiting women at the factory level, which means they are going to be in jobs that are better paying than most of the clerical jobs they had been in—which is true of most women—and therefore there is both a broadening and



a vertical movement. That's one kind of example of the way in which a company would adapt itself to this sort of programme.

**Mr. Bounsall:** Do you also run into the situation where you may have women in a particular job in a plant, and the reason they don't get to be manager is that they need broader experience than they would get in that one job in the plant? Is that also a problem where traditionally there haven't been women in certain other positions in the plant?

**Ms. Clarke:** Sure, the whole question of bringing in a young male management trainee, if you like, and moving him around from place to place, we point out, is something that is equally desirable for potentially competent and interested women. It's not for everyone, but for those who are interested and committed to the work force. It's a matter of establishing a data base. Where are the women in this corporation? What are their ambitions? There has to be that component.

You have to deal again with the possible male backlash feeling, "Is this going to affect our development?" We have to talk in terms of the full human resource development of all employees. In fact, quite often this kind of programme can alert employers to the fact that maybe they haven't been assessing many of their employees very adequately in terms of human resource development. Then they move from there, and many are at the stage now where they are having workshops which look at stereotypes of women in employment, who actually set up programmes where they must begin to face their own attitudes about women in employment. That's also a very crucial stage for a company. After that, you can go through a step-by-step process, and we provide them with materials to help them do that. Many of the companies take off on their own from there.

It's very difficult to measure degree of commitment, but certainly there are companies now in Ontario that have an affirmative action programme in place and who are working on it with a fair degree of speed, I would suggest. But we aren't going to know for a while. It seems worthwhile at this point.

**Mr. Bounsall:** What do you do—perhaps you're not even invited in there—with those companies who tend to never promote from within their own company, who always hire supervisors for example, from outside?

**Ms. Clarke:** Obviously all we can do is to point out what this does to staff morale, if we

ran into a situation like that. If you're not developing and using the human potential you have right before your eyes, what does this mean in terms of productivity for your corporation? This is one of the big questions about women in employment. If you want women to have an attachment to your corporation and to work hard for it, they have to feel there's some kind of opportunity for them; otherwise they're not going to care at all. They're just like men.

**Mr. Bounsall:** I know. I was asking in general terms because it applies to both, of course. I know of one company which appears to be doing this, and I agree with you; I don't know how on earth they ever encourage people to take the company seriously. There's no opportunity for advancement. Someone would like to prove himself, whether a man or a woman, and the opportunity is just not there.

I have had one person indicate that if he'd stayed the 10 years in England that he'd worked for this particular company, he could probably have the supervisor's job that was now open, provided he had the same experience in England as he had with the company in question. That supervisor's job wasn't open to this particular man. I've run into one specific incident of this, and there are lots of incidents within this company of this being the practice. Have you run into this specifically with companies? You've obviously talked about it.

**Ms. Clarke:** Yes, there does seem to be a difference to some extent between kinds of corporations and so on. There's always been the corporations who have put a little more emphasis on human resource development, it seems to me, and others that have not seen it as a priority. But the companies that we're working with are obviously what you could call the good employer, I would assume. They do recognize there has been inequities and that they do have some responsibility to begin to work at it. But it's not an easy thing to establish that kind of programme.

[4:45]

**Mr. Bounsall:** Really, those who have turned a cold shoulder are the ones that in all their attitudes need the most working with; and you haven't really been able to perhaps get at them in the way.

**Ms. Clarke:** We'll try and keep on trying.

**Mr. Bounsall:** Yes, Mr. Chairman, at this point I'd like to ask about the issue of pay

for work of equal value. Your committee, I gather, is about to report?

**Hon. B. Stephenson:** Ms. Clarke is the chairman of the committee.

**Ms. Clarke:** Yes, we have now gone through our third draft report and the committee is about to report. I think it's very important to mention that this is not a Women's Bureau committee; this is a ministerial committee, and I just happen to be chairing that committee. We report to an equal pay steering committee of the ministry for final deliberations. In other words, we've had the input from external members on the committee, from internal representatives of research, the legal branch, employment standards and the bureau, and now the report will go to the equal pay steering committee, which has been reviewing that whole area of equal pay. You know, looking at tightening of legislation and all kinds of other things. They will make the final deliberations.

**Mr. Bounsall:** Is this a committee wholly within employment services?

**Ms. Clarke:** No, it's a ministerial committee.

**Mr. R. D. Johnston:** Chaired, I think, by Don Hushion, the executive director of the employment services division.

**Mr. Bounsall:** I suppose it would be fruitless at this time to ask about the details of that third report?

**Ms. Clarke:** I think it would be unfair to the equal pay steering committee for others to hear about the report before they've had a chance to read it.

**Hon. B. Stephenson:** And since I haven't seen it, it would certainly be unfair to us.

**Mr. Bounsall:** It would be a nice way to air it. From my point of view, feel free; we'd love to hear the details.

**Mrs. Campbell:** I presume at some stage this report will be made public; it will not be one of those secret reports that we had on day care last year, or whatever it was. If that's so, will this report come forward so that we can judge the final report of the other committee in the light of the recommendations?

**Hon. B. Stephenson:** I can't tell you that at the moment, because I don't know under which set of circumstances and terms of reference the committee was set up. I think I would have to explore that before I could

tell you whether it would be made public or not. I'll tell you later whether it will be or not.

**Mrs. Campbell:** I trust we won't get into a debate such as we got into with another minister on these secret reports. Could I know the personnel of the other committee to which your committee is going to be reporting?

**Ms. Clarke:** Well, Don Hushion is the chairman.

**Mr. R. D. Johnston:** He is the executive director of the employment services division.

**Ms. Clarke:** And there are representatives from pretty well all branches that would be affected. I sit on the committee. Paul Hess, head of our legal branch, is also on the committee. I could also give you the structure of the subcommittee, if you are interested in that.

**Mrs. Campbell:** Yes. Is it fair then to note that you are the only woman on a committee that is, I suppose, an appeal committee—or whatever it is?

**Ms. Clarke:** No, Kay Eastham is also a committee member.

**Mr. R. D. Johnston:** Of the steering committee.

**Ms. Clarke:** Yes, of the steering committee. The subcommittee was made up of both outside and inside people. There was public participation in the committee.

**Mrs. Campbell:** That's interesting. I think it might have been rather useful to have had people from the Legislature involved in it. Some of us have some very real concerns in this area.

**Ms. Clarke:** The public participants were women who have been concerned. If you would like I could tell you who they are.

**Mrs. Campbell:** It's always strange to me that those of us who sit in this House, who have these concerns, still have to get word—I would have thought perhaps we might have had something to say on this.

**Ms. Clarke:** I would think had it been a task force you would have a different situation where you would be requesting submissions from groups.

Mrs. Campbell: Have you offered your services or been invited by any municipal governments?

Ms. Clarke: Yes, we have.

Mrs. Campbell: Could you give us some idea of what you feel about your success or otherwise?

Ms. Clarke: We have been approached by two municipalities and we are at the very early stages. It is a little bit different, as you well realize, from working with a corporation.

Mrs. Campbell: It is a little grim, I can tell you, with many of them.

Ms. Clarke: But we are hopeful that we can help them develop a programme. I think when they approach you it makes it much easier for us.

Mrs. Campbell: Yes, I can see that. And what about your work with your own government? How are you doing?

Ms. Clarke: I would think that would follow.

Mrs. Campbell: There have been such pearls of great wisdom coming out anyway. Who in this ministry, or which one of you, would be able to report on the information service? I have to be careful because I think I said fast mobile information services, and somebody denied that that was in this ministry. What was the correct technology of the van or whatever it was that went around this province which was within the scope, as I understand it, of this branch?

Mrs. McLellan: I think I could respond to that, Mrs. Campbell. The mobile vans which went around the province as part of the International Women's Year initiative were those of the federal government.

Mrs. Campbell: Yes. You told me that before. And this is where we got. What is the term you use for moving information around the province?

Mrs. McLellan: We weren't quite as mobile as the vans.

Mrs. Campbell: You had your own.

Mrs. McLellan: We had 20 communities in Ontario—

Mrs. Campbell: Indeed, you did.

Mrs. McLellan: —with information units. Information kiosks were the words we used.

Mrs. Campbell: I found it a little depressing when I asked about the mobile units and was told it was a federal programme and then had to search out the proper terminology to get my point across.

Mr. R. D. Johnston: I think "mobile" conveys to us that it's something that is on the move. These were simply set up in many places and left there for a period of time.

Mrs. Campbell: Could you tell us what the experience was with this information service and have you a report on what was done?

Mrs. McLellan: Yes, we have and it will be published as part of the report of the activities in International Women's Year which we are planning to prepare at the close of the year. This involved the 62 students who were manning—I had better not say that—staffing the booths.

Mrs. Campbell: Weren't they manning?

Mrs. McLellan: Yes.

Mrs. Campbell: Wasn't the head of it a man?

Mrs. McLellan: Yes, there was almost an equal number. There were as many male students as female students involved in the programme. They underwent an orientation programme early in the spring after school closings. They were university students mostly. Then they were placed in the communities from which they had been recruited. They had been recruited from their local communities.

The orientation that they had was to the various issues that we perceive as those being of high concern to women and they were trained to act in the communities as an information-giving and referral group. They worked with many community groups in the various areas.

Part of their job was to get to know who does what, whether it was in Kingston or in Peterborough or wherever they were. I think the programme was quite successful. I really think that in many ways the students got a lot more out of it than the public did, though, which is quite often the sort of thing which happens.

They were a very highly motivated group of young people and they wanted to reform the world. I think that in many respects their hopes were not completely met because they found a great deal of citizen apathy, indifference and positive ignorance about things. But that is all part of their learning process too.



We brought them together in the mid-summer to find out what problems they were having and what sort of things they were learning and I think at that point in time we were able to satisfy them that what they were doing was indeed worthwhile.

I think the summertime is a difficult time to get people worked up about women's issues and so on. Perhaps from the point of view of giving a lot of useful information to the public, we really can't answer that. We do know how many people they talked to, because they kept quite good records. We got information from the public, of course, and one of the things that we tried to get information on—through a questionnaire on a two-week programme—was the attitude in local communities to part-time employment. While part-time employment occupies a lot of our minds and thoughts, it really was not an issue that grabbed the people out there. Now, whether it was the summer, we don't know. But we weren't really overwhelmed with the response on that.

**Mrs. Campbell:** Could I know what issues you picked as of top priority for women?

**Mrs. McLellan:** The issues in various locations—the overriding issues that we tried to have the students aware of—were those matters that the government of course deals with as a matter of legislation. This involves trying to make them understand what the Employment Standards Act is trying to do, what the parameters of the Day Nurseries Act are.

**Mrs. Campbell:** Oh, could you expand on that one. I'd love to know what you told the public about that one.

**Mrs. McLellan:** It's not very difficult to tell the public about the Day Nurseries Act because that's a matter of fact, not of conjecture. They were aware of the Act and how one goes about setting up a day nursery and that kind of thing. It's our experience, through women who have been here over 10 years, that these are the kinds of questions that women in communities have. So, education was in the areas of equal opportunity, what affirmative action to take and matters of employment. We had a linkage in each of these communities with the Canada Manpower Centres and know what jobs were available.

**Mr. Chairman:** Is that a quorum bell?

**Mr. Norton:** As far as I'm aware, yes. We just received notification.

**Mr. R. D. Johnston:** Do you mean there aren't 20 people in the House? That's most unusual.

**Mr. Chairman:** I'm quite sure we can continue.

**Mrs. Campbell:** I take it that the issues that were being discussed were purely labour-oriented issues. Is that correct?

**Mrs. McLellan:** They were largely labour-oriented issues because it would have been expecting a great deal to have students on a two-week training programme to be conversant with the full range of activities. However, we had obtained information from other ministries about programmes which they deemed to be of interest to women. Students had good sound factual information from, for instance, the Ministry of Health, Community and Social Services. This was included in their training programme so that they could make referrals. There was no thought that these students were becoming lawyers or counsellors or anything like that but at least they had the point of reference and we encouraged them to give the citizen an answer, even if it meant sending him, or her, somewhere else. To that extent, yes, we did deal with other issues as well.

**Mrs. Campbell:** Who drew up the issues? What were the guidelines for drawing up the issues?

**Mrs. McLellan:** How did we decide what we were going to teach the students. As I say again, this was a combined effort. We drew on my own experience in the government and the experience of other ministries and the council of women as to what sort of things are concerning women at this point in time and developed our shopping list on that basis.

**Mrs. Campbell:** When is that report expected?

**Mrs. McLellan:** It will be part of the report on International Women's Year and other things planned for early in 1976.

**Mrs. Campbell:** What about the various grants and things; the conventions which came out of this particular group?

**Mrs. McLellan:** We had a programme of grants to organizations and groups in the community. I think I may have mentioned, the criteria were quite simple: to do something in 1975 which would benefit women,

especially in line with any of the recommendations of the Royal Commission on the status of women.

[5:00]

I can't say with great accuracy how many applied for the grants. I know that 155 groups and organizations eventually received such grants and the majority of the activities that they indulged in were community based. Money was not given for staffing purposes or salaries. It was given for printing supplies and renting a hall and buying coffee and so on. But we were satisfied that the group were doing the work and putting it all together.

We have asked those groups for an assessment of their programmes and those assessments are now coming. I'm really quite thrilled with them. What they did, and the number of people involved and so on will be part of the total report.

**Mrs. Campbell:** The conference that was held in one of these buildings over here—wasn't that your conference too—the February meeting?

**Mrs. McLellan:** The only meeting that's been held this year in any structured way was the meeting that the Premier held in February at the Hyatt Regency. Employers and unions were invited to share with him the government's commitment to get on with affirmative action. That's the only meeting that has been held under the funds that we are talking about. I don't know what meeting you are referring to.

**Mrs. Campbell:** It was the one chaired by Laura Sabia and I think Margaret Birch was a sponsor of it. Who funded that?

**Mrs. McLellan:** Oh, that was a year ago. That was the one on family property law—to ascertain the opinions of women around the province as to what we should do about the Law Reform Commission's report on family property law. That was last year and wasn't really part of this year's activity.

**Mr. R. D. Johnston:** That wasn't funded by this ministry.

**Mrs. Campbell:** I see. I'm very glad to hear it, because I thought it was a disaster. I wasn't sure it wasn't designed to make us all look very stupid. I don't know who did it, but it was interesting. Whoever did it, excluded all the women lawyers—and we were dealing with the law. That was a fantastic

situation, and I've heard nothing but bad comments from it. But I'm glad it wasn't yours.

**Mrs. McLellan:** No, it wasn't.

**Mrs. Campbell:** We'll find out, maybe, who did sponsor it. I think that's all I want at this point. I will look forward to the report. Your report on equal pay is going to be ready almost immediately, I take it. Have you any idea how you think it is going to be at the steering committee level? Before a summary gets out to the rest of us?

**Mrs. McLellan:** I don't think that that timetable has really been set. They've just come to an agreement. I think they are ready to pass it along, but it's hard to say.

**Ms. Clarke:** I think it is important to note that the purpose of the report is to outline the problems or the pros and cons and so on, so that the committee can look at it in greater detail. To have had the whole committee doing that would have been a poor use of resources, I would suggest. So we'll be outlining it and there is also a background paper that will go with it, so that they can really consider it.

**Mrs. Campbell:** I would hope, Mr. Chairman, that we'd be doing something other than outlining the problems. We had that when we were discussing the amendments to the bill before this committee. I would like to have seen some effort made to show the way in which it can work.

**Ms. Clarke:** That was part of it.

**Mrs. Campbell:** It was? Thank you.

**Mr. Chairman:** For the information of the committee I've been informed that there is a vote in the House on the amendment to the Ontario Development Corporation and the vote will not be taken prior to 5:20 p.m. For the information particularly of the new members, there is really no rush. We still have lots of time.

**Mr. O'Neil:** is next.

**Mr. O'Neil:** I want to ask what would be the total number of staff that you would have in the women's programme.

**Mrs. McLellan:** In the women's programme division, we have a staff of 17.

**Mr. O'Neil:** Seventeen. How many of those would be men?

**Mrs. McLellan:** None.

**An hon. member:** There is one.

**Mrs. McLellan:** Pardon me, have we got a man? Where? Where?

**An hon. member:** You didn't know that?

**Mr. O'Neil:** Could you please clarify that? Is it one or none?

**Mrs. McLellan:** I'm right. We do not have a man on full time staff. We have a man on contract staff who is part of the consultant service of the Women's Bureau and who, under the International Women's Year funding, is working with us this year.

We did have a male receptionist but it used to upset people when they would phone the women's programme division and have a man answer.

**Mr. O'Neil:** It upsets me too, because I am really worried that you should have a total staff like that and not have at least an equal number of men.

**Mrs. McLellan:** A token male?

**Mr. O'Neil:** Right, a token male. I just wanted to know. I was going to ask, too, what would their chance of advancement—or advances—be in your department?

**Mrs. McLellan:** We have interviewed men for various positions in the women's programme division. They have applied, and I think that shows progress on their part.

**Mr. R. D. Johnston:** We have had men in the women's bureau in the past. We just happen to be at a stage where there aren't any.

**Mr. O'Neil:** Fine. I also wanted to ask, when you investigate the placing of women where there aren't women, does this come from requests only, or do you investigate certain other cases and approach these people yourself?

**Mrs. McLellan:** Perhaps I don't understand; do you mean we are not out looking for trouble, it sort of comes to us?

**Mr. O'Neil:** They will call you, eh?

**Mrs. McLellan:** We will be called and I think that inside the government the women Crown employees office is working very hard with the ministries and the Crown agencies to promote women's interests and improve their status. We are a little more forceful inside the government, because we think our

own house should be in order, than perhaps we are with the private sector, because there it is sort of more of a voluntary thing. We have made quite a bit of improvement inside the government in terms of the number of women who have been appointed to boards, commissions and agencies, and who are gradually inching their way up into the upper echelons of the management ranks.

**Mr. O'Neil:** You were saying also that you hoped the programme will be continued next year. Possibly it's not the question to ask—what sort of a budget would they be looking for at that time?

**Mrs. McLellan:** In the affirmative action?

**Mr. O'Neil:** Yes.

**Mrs. McLellan:** The programme for affirmative action, which has been under special funding this year, is included in next year's estimates to the extent of approximately \$60,000. I could be wrong on that, but I think it's about right.

**Mr. O'Neil:** I think you girls should consider more applications from males to even up your ranks a little bit.

**Mrs. McLellan:** We'll take that into consideration.

**Mr. R. D. Johnston:** That is our biggest problem.

Interjection.

**Mr. O'Neil:** Margaret, you know that in our caucus you are our sex symbol, so don't say too much.

**Mr. Chairman:** Mr. Wildman.

**Mr. Wildman:** You may have answered this question earlier when I wasn't present, but I am concerned that in some areas of the province there are few job opportunities for women, although attitudes have been changing in the last few years and women are applying for and getting jobs in areas which they traditionally have not been considered for. For instance, in northern Ontario, in a lot of MTC projects women are working with the construction crews on many jobs, but still there isn't a great deal of opportunity in many of the industries in the north for employment of women.

In the second World War many women worked in Algoma Steel plants and in other industries in the north when there was a shortage of men. This arrangement disappeared after the war and it doesn't really



seem to have changed. I am wondering what the women's bureau is doing to try to improve opportunities for women in the north and provide a larger variety of jobs, or use affirmative action to try and change the situation there?

**Mrs. McLellan:** I appreciate the problem you are posing to us and we are very conscious of it. I have travelled around the province and talked to women in those areas, and the opportunities don't seem to be as great. One thing I think it would be worthwhile remembering, though, is that what we are trying to do is not necessarily get more women into the labour market, but to make sure that once they are there, having got there by whatever means, their opportunities are wider and they are given a fair shake and that equity is theirs.

It is not a matter of increasing the number of women in the labour force, which is addressing your problem, but again it's opportunity. I do see some changes coming in those areas where traditionally men have been working. You mentioned Algoma Steel. After a big fight we finally got a student in there this summer—

**Mr. Wildman:** You had to get a washroom for her first.

**Mrs. McLellan:** —and it cost them \$20,000 to put in toilets. That's the kind of problem that women going into those places are facing. But I think that those changes are coming. I think the pressures will come with our help and from women themselves—but women themselves are rising to this challenge. How we expand the actual number of jobs to encompass those additional women who wish to come into the labour force, I really don't have the answer to that. But once they are in there, I think that we will do everything we can to help them and make sure that they do get equity.

**Mr. Wildman:** In other words, equal pay and the same opportunities for advancement and so on.

**Mrs. McLellan:** And as we have talked about, the affirmative action programme; the more lateral movement, instead of women all being kept in clerical occupations. They should be allowed and encouraged and permitted to move into the factory and into non-traditional operations—as men should be encouraged to come into female areas; it works both ways. In fact, it is never going to be perfect unless we expand the jobs and unless we start to get more mobility back and forth.

**Mr. Wildman:** Are you involved in that movement too, that is trying to encourage more opportunity for men into roles that were traditionally held by women?

**Mrs. McLellan:** I think it follows. I wouldn't say that we are making a special effort—but by virtue of what we are doing for women, it is coming about. We have had that experience in the Ontario government where we are trying to see that more men are interested in, or being considered for, jobs in what we consider traditionally female areas.

**Mr. Wildman:** What about in areas where traditionally women have played a large role in the economy, but in general even in those roles men have leadership positions? I am thinking of teaching and situations like that.

**Mrs. McLellan:** What about it?

**Mr. Wildman:** What affirmative action are you taking to try to improve the opportunities for women so that there is more equality in the positions of responsibility in those areas?

**Mrs. McLellan:** That addresses the question of attitude. In the past, while women were in those professions, it was deemed that they weren't capable of rising to the top, or they didn't wish to become managers, or they wouldn't make good supervisors and men wouldn't work for them—and so on. We know that most of those attitudes are unwarranted, but nevertheless they persist.

So this is a part of the affirmative action programme, which I think is coming about by just talking and saying women are not being fully utilized. They do have the talents. When picking their next supervisor, we say they had better look at some women, too. It's a matter of the recruitment and selection process which de-sexes the attitudes of those doing the selecting. I am very much a part of the affirmative action programme.

**Mr. Wildman:** If you take education as an example, there is a large number of women teaching but very few in positions of responsibility as department heads. Although there are more department heads, there are very few vice-principals and principals.

**Mrs. McLellan:** Yes, and that matter is addressed; because traditionally in the past those selected to go on training courses for principals have been selected by male principals—you know, the hand on the shoulder. I think that the whole thing should be open

to competition. If I as a woman wanted to apply to go on the principals' training course, I should be able to do so. I believe that is happening.

I heard someone addressing this problem of the recruitment process recently—I think it was when the human rights vote was on—where you have the same people always selecting the same people, and you don't have an open, competitive approach to filling positions, you will get that nepotism.

**Mr. Wildman:** That was going to be my next question.

What's the proportion of men as opposed to women in positions of responsibility in the higher echelons of the public service?

**Mrs. McLellan:** I am sure that you know which way the proportion is.

**Mr. Wildman:** Yes, but I would like to know how bad it is. I would like to know how serious the discrepancies are in this area.

**Mrs. McLellan:** I will ask Ms. Eastham if she can answer.

**Ms. Eastham:** In the very senior ranks, in the senior list, the proportions are poor. The government is not unlike any other large organization, I don't have the exact numbers with me. We have noticed some positive trends in what is called the administrative category within government, particularly middle management groups. The proportion of women in those groups have improved over the last year, from 14 to 17 per cent. In senior management it is probably only about eight per cent.

[5:15]

**Mrs. McLellan:** I don't know what level you're talking about, but I'm thinking of a

management module—I think the percentage is about eight per cent female and 92 per cent male.

**Mr. Chairman:** I would say to the committee now that I've had word from one party whip, and probably the committee should adjourn now. It's going to be a little difficult, in case the bell does happen to keep ringing and we've decided to close off these estimates at 6. It's a problem. What is the wish of the committee?

**Mr. O'Neil:** How much more is there to actually cover?

**Mr. R. D. Johnston:** This is the final vote.

**Mrs. Campbell:** I just wanted to ask them what they've done about the Workmen's Compensation Board. It seems to me there's a place where you might start in the Labour ministry.

**Mr. R. D. Johnston:** You'll have a day on that, or maybe Ms. Eastham can speak to it. But they have appointed a women's advisor and that's the first step—doing the kinds of things that we're asking the ministries to do. They have, as you know, one woman commissioner.

**Mr. Chairman:** We should really adjourn now. Do you wish to call the vote or come back? What is the wish of the committee?

**Mr. O'Neil:** Call the vote now.

**Mr. Chairman:** Shall vote 2106 carry?

Vote 2106 agreed to.

**Mr. Chairman:** That completes the estimates of the Ministry of Labour.

The committee adjourned at 5:20 p.m.

## CONTENTS

---

Thursday, November 13, 1975

Human Rights Commission programme, concluded .....	S-299
Employment services programme .....	S-302
Women's programme .....	S-310
Recess .....	S-319

## SPEAKERS IN THIS ISSUE

---

Bounsall, E. J. (Windsor-Sandwich NDP)  
 Campbell, M. (St. George L)  
 di Santo, O. (Downsview NDP)  
 Johnson, J. (Wellington-Dufferin-Peel PC)  
 Laughren, F. (Nickel Belt NDP)  
 Mancini, R. (Essex South L)  
 Newman, B. (Windsor-Walkerville L)  
 Norton, K. (Kingston and the Islands PC)  
 O'Neil, H. (Quinte L)  
 Sargent, E. (Grey-Bruce L)  
 Stephenson, Hon. B., Labour (York Mills PC)  
 Wildman, B. (Algoma NDP)

### Ministry officials taking part

Brown, G. A., Assistant Director, Ontario Human Rights Commission  
 Clark, Ms. M., Director, Women's Bureau  
 Eastham, Ms. K., Director, Women Crown Employees Office  
 Johnston, R. D., Deputy Minister  
 Jones, D. F., Executive Secretary, Labour Safety Council  
 McLellan, Mrs. E., Executive Co-ordinator, Women's Programmes  
 McPhee, R. W., Director, Ontario Human Rights Commission  
 Radford, D., Acting Director, Employment Standards Branch





Government  
Publications

# Legislature of Ontario Debates

**SUPPLY COMMITTEE**

**ESTIMATES, MINISTRY OF ENERGY**

**OFFICIAL REPORT — DAILY EDITION**

**First Session of the Thirtieth Legislature**

**Thursday, November 13, 1975**

**Evening Session**

**Speaker: Honourable Russell Daniel Rowe**  
**Clerk: Roderick Lewis, QC**

**THE QUEEN'S PRINTER**  
**PARLIAMENT BUILDINGS, TORONTO**  
**1975**

## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MCS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.

## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

---

THURSDAY, NOVEMBER 13, 1975

The committee met at 8:06 p.m.

#### ESTIMATES, MINISTRY OF ENERGY

**Mr. Chairman:** We are close to a quorum, so with permission of members of the committee who are here, we will commence the estimates of the Ministry of Energy.

We will follow the same procedure as we have in other estimates. The minister will open with a statement. I hope at that time he will introduce the members of his staff to you, followed by remarks by the critic of the New Democratic Party and then the Liberal Party.

I understand tonight we are going to have a power failure as soon as the minister completes his remarks, and we are going to be presented with a short slide presentation. Is that right?

**Hon. Mr. Timbrell:** Part of that is right.

**Mr. Chairman:** Part of that is right, okay.

**Hon. Mr. Timbrell:** Part of it's planned, anyway.

**Mr. Chairman:** So I will ask the minister to commence with his presentation.

**Hon. Mr. Timbrell:** Thank you, Mr. Chairman.

Members of the committee and members of the House: We have brought along quite a few staff, not knowing how quickly the estimates would proceed, and to my left is Mr. Dillon, the Deputy Minister of Energy; Mr. Cunningham, who is our financial officer; Mr. Ball, who is my executive assistant.

Starting in the first row Mr. Clendining, senior advisor on oil. We have three people in the ministry who deal with gas; one is crude and the other is refined and one is natural. Albert Stortchak, he is crude; Bruce MacOdrum, he is natural; and Dr. Button. Starting at the far end of the second row: Mr. Pinnington, he is refined; Mr. Dominy; Mr. Lamb; Robin Scott, head of regulatory affairs; Mr. Thacker; Brian Finlay, nuclear

generated electricity; Dr. Johnson; John Butler, Ontario Energy Board administrator, and Mr. Jackson who is the chairman of the Energy Board.

**Mr. Peterson:** Could you do that again, I missed one?

**Hon. Mr. Timbrell:** I thought you were taking notes. The two gentlemen just walking in are Dr. Rowe and Mr. Higgin who work on energy conservation.

I should also point out, Mr. Chairman, that there are here tonight a number of members of the Don Mills Young Progressive Conservative Association. It's a happy coincidence that their visit to the Legislature—and the first snowfall of the year in Toronto—occurs on the night of my estimates, and on my birthday no less. It's purely coincidental.

**Mr. Peterson:** If that is the occasion, I think we should adjourn.

**Hon. Mr. Timbrell:** That's right. Does that mean my estimates carry?

**Mr. Norton:** We will just slide them right through.

**Hon. Mr. Timbrell:** And here are some of the secretaries from the ministry. We came in force not knowing how quickly you would go through this.

The opportunity to present the estimates—I believe this has been distributed, Mr. Chairman—of the Ministry of Energy to this committee couldn't come at a better time from my standpoint. Hopefully as more information is presented, the public, industry and politicians alike will have a clearer picture of our country's position relative to its energy needs and the efforts being undertaken to meet those needs.

Before I get into the estimates themselves, I would like to outline the role my ministry plays in the Ontario government.

The Ministry of Energy is by traditional standards a small organization with a policy-oriented goal. That goal is to ensure that Ontario consumers receive adequate and se-



cure supplies of energy at reasonable prices with an acceptable environmental impact.

I'm sure this committee realizes that the energy-related activities of the Ontario government are spread across many ministries. For example, Industry and Tourism has an obvious interest in energy matters in view of its responsibility for industrial development. The Ministry of Transportation and Communications has a similar interest on behalf of the transportation sector; so too, the Ministry of the Environment because of the impact of energy projects on our environment.

In this context of multi-ministry concern and activity, the Ministry of Energy acts as a catalyst and as a co-ordinating body ensuring that the ministries and agencies of the government work together effectively in the public interest. Again, the entire thrust of the ministry's efforts in this direction are aimed at achieving the goal set for us by the government.

In working towards that goal, the ministry's activities encompass the following functions: reviewing and advising on energy matters; advising on energy policy; providing technical support to the Ontario Energy Board; maintaining liaison between the government and the Ontario Hydro Corp.; applying energy policy by co-ordinating the government's energy-related activities and through interventions before provincial and federal tribunals.

On the basis of two years' experience the staff requirement of the ministry has been adequately assessed. The total strength of the ministry is 61, of which 20 are contract positions. The ministry has made a conscious decision to remain at this staffing level. We have done so because we function as an integrated team with a flat organizational structure rather than the hierarchial structure.

If the ministry staff were any larger, it would be necessary to subdivide it into separated groups for effective operation and control. Our flat organizational structure has proven to be effective in dealing with energy concerns, where as you can appreciate a high degree of flexibility and the capability for quick response is often necessary.

When I spoke of the role of the ministry, I did so in general terms. However, the overriding fact in Ontario's energy scenario is our reliance on sources outside our provincial boundaries for approximately 80 per cent of our energy requirements. In this context, our ministry's general functions become specific.

I would like to outline the ministry's activities by dealing briefly with each type of energy resource.

In regard to oil, I am sure this committee will recall that at the first ministers' conference on energy held last spring, the Ontario government's position was quite clear. We were opposed to any increase in the price of domestic crude oil at that time.

The federal government and the producing provinces argued, at that time, that it was necessary to increase the price of crude in order to enable the oil companies to increase their exploration, and thus to develop needed oil supplies. We opposed this position because virtually all of the additional money paid by Canadian consumers as a result of the increase in the price of oil in the past, had found its way into the coffers of the Alberta and federal governments. We had no reason to believe that again this would not be the case. And more important, we were concerned about the effects of raising the price of a commodity essential to industry and the personal lives of Canadians at a time of serious inflation and unemployment.

Despite the position of Ontario and other consuming provinces, the federal government raised the wellhead price of crude oil from \$6.50 to \$8, effective July 1.

When this occurred we were concerned with the adequacy of the federal government's 45-day guideline, during which the federal government anticipated inventories of products made from \$6.50 oil would be depleted. We were also concerned that the increased costs should flow through to consumers in an equitable manner. Accordingly, we responded with a price freeze for a 90-day period and appointed a royal commissioner, Mr. Claude Isbister, to investigate the whole question of the pricing of petroleum products. As you know, the freeze was subsequently extended.

You will recall that when the royal commission issued their first report, they in effect concluded that our freeze was justified in view of the inventory positions of the petroleum companies. But the report indicates that, on average, inventories of petroleum products produced from crude oil priced at \$6.50 a barrel are currently exhausted and products now being sold are being produced from crude oil purchased at \$8 a barrel.

Accordingly, the freeze will expire on Nov. 15.

However, as I said on the first day of this session of the Legislature, we are determined to ensure that any increases be sufficient only

to cover the increased cost of crude oil and no more. If we find that there is a widespread lack of adherence to the government's wishes, then we are prepared to come back with further legislation to extend the freeze at a level allowing just for the increased cost of crude oil.

In addition, we have directed the royal commission to complete part two of their report by the end of February of next year.

Under the terms of reference of the commission, part two of the report will deal with: The relationship between any petroleum price changes and the interests of the consuming public of Ontario; the procedures that might be followed in relation to future changes in the price of crude oil; and product price differentials among various regions of the province, particularly between northern and southern Ontario.

In summary, the ministry has been deeply involved with the federal and other provincial governments in oil pricing discussions designed to rationalize the objectives of reasonable prices and continuing supply. The ministry's approach has been based on the need to ensure uninterrupted exploration for new and essential oil supplies, while at the same time keeping the prices Ontario consumers have to pay as reasonable as possible.

In terms of natural gas, the ministry's work has been similar in nature to our efforts with regard to oil. The ministry has worked to see that conventional reserves in western Canada are developed and brought to market and that frontier sources are developed and brought to market.

[8:15]

In addition to working for the security of supply of natural gas, the thrust of the ministry's natural gas policy is aimed at ensuring reasonable prices for both consumers and producers. Also, the ministry has worked for an efficient and rational natural gas supply transportation and distribution network.

I should add that the ministry has also introduced legislation for natural gas allocation, should supplies become insufficient to meet demand in Ontario prior to connection of new sources. This has received second reading and was considered this morning by a special committee of the Legislature. It now appears it will go to committee of the whole House.

With respect to coal, the ministry has been working in conjunction with Ontario Hydro to develop the movement of coal from western Canada and Nova Scotia to Ontario in order to reduce our total reliance on United States sources.

In addition, the ministry has worked to ensure that potential lignite or coal areas in northern Ontario be explored and developed. A number of proposals for the use of coal at Onakawana, southwest of James Bay, are being considered. There are a number of possibilities, including the generation of electricity and the production of synthetic natural gas.

In regard to uranium, the ministry has worked to ensure that supplies are developed to their fullest potential and are protected to ensure supplies to markets in Canada and Ontario. A joint report by the Minister of Energy and the Minister of Natural Resources on March 26, 1974, outlined the government's uranium policy. Since that time the ministry has worked closely with Ontario Hydro and the federal government on the establishment of uranium export controls. We also continue to encourage uranium exploration in Canada through Ontario Hydro and the private sector.

I would also like to add that the Ministry of Energy is participating in an investigation of the possible uses of both solar and wind power since these two sources of energy might have some practical application in Ontario.

As you know, the responsibility for the operation of the electrical system in Ontario rests with Ontario Hydro. Hydro's operational independence has resulted in the development of one of the finest electrical utilities in the world.

In former years, Hydro had a somewhat lower profile than it does today. No doubt this was partially because as the corporation's efficiency increased the real price of electricity decreased.

Now however, with costs increasing and environmental concerns rising to the fore, Hydro finds itself in the public eye to a greater extent.

The government has approved in principle Ontario Hydro's short-range plan for expansion of the generating system for the period 1975 to 1982. Also approved was the initiation of a process by Ontario Hydro to involve the public in particular areas affected by Hydro in the plans for new generating sites and transmission lines.

This was done because although Hydro's prime responsibility is to provide the people and industries of Ontario with electric energy at the lowest feasible cost, it is recognized that the corporation has obligations to protect the environment, to promote conservation and to involve the public in major decisions for system expansion.



For the information of the committee, I would like to point out that in the case of a proposed generating site or transmission line, a project team approach is used, representing engineering, system planning, property, ecology and community relations. Throughout the public participation process, citizens are kept informed of the study's progress through meetings, the local media and mailed reports—well, mailed reports when they can. Only after all the data has been reviewed and an analysis and environmental impact made, following lengthy public discussions, is the most acceptable proposal identified and recommended for approval by the government.

In 1974, double-digit inflation appeared on the Canadian scene for the first time since 1951 with the inevitable impact of rising prices for almost everything that Hydro needs to produce and distribute power—labour, fuels, steel, construction equipment and money. The cost of delivered coal from the United States sources, for instance, went up by 52 per cent between 1974 and 1975.

Because of developing economic pressures in the province, Hydro was given a directive by the government earlier this year to "prune its operating and capital budgets", with a suggested 10 per cent reduction in administrative costs and a reduction of a minimum \$1 billion from its capital programme between 1976 and 1985. The government also made it clear that a lower rate increase for 1976 than that proposed by Hydro was desirable because of the economic climate.

Accordingly, Hydro reduced its wholesale rate proposals from 29.7 per cent to 25.1 per cent for municipal utilities, and from 29.9 per cent to 24.9 per cent for direct industrial customers.

Hydro also revised its generation programme with a six-month deferment of in-service dates for Bruce "B" nuclear station and all subsequent generating plants, and a reduction in capital requirements to 1985 estimated at approximately \$1.2 billion.

The 1976 work programme will also be reduced in total by \$30 million and a freeze on the hiring of new personnel was put into effect. However, I should point out that it is recognized by the government that the objective of seeking to reduce Hydro's expenditures could mean the acceptance of higher risks and less reliable service.

I should also mention that a committee with representation from my ministry, from Treasury, Economics and Intergovernmental Affairs, and Hydro, is currently studying the capital borrowing available to Hydro in 1976 and subsequent years.

Now I would like to touch on the Ontario Energy Board's review of the Hydro rate increase proposal.

During the 55 days of public hearings before the Ontario Energy Board, Ontario Hydro witnesses testified as to the need for a rate increase and were extensively cross-examined by the board and by interveners, including representatives of major industrial power users, municipal utilities, municipalities and consumer groups. The public was given the opportunity to present evidence and argument, all of which was considered by the energy board.

A major concern of the government was that any rate increase proposed by Ontario Hydro be substantiated on the basis of clearly demonstrated cost increases justified in the full glare of public scrutiny.

As you know, the Ontario Energy Board's report, made public on Oct. 22, concluded that, in their opinion, Ontario Hydro required a 27 per cent increase in their 1976 bulk power rates.

The board accepted Hydro's forecasts of escalation in costs of fuel, materials and manpower, which were major factors in determining the need for a rate increase. The board stated that as a fundamental principle, the revenue of Ontario Hydro must at least cover the costs of operating and maintaining the system.

In recommending this rate increase, the Ontario Energy Board stressed that Hydro's financial integrity be upheld by ensuring that a proper balance between rate increases and new debt be maintained.

The board of Ontario Hydro informed me that they had carefully considered the OEB report and had decided to set the average rate increase to municipal utilities at 25 per cent, as they had proposed to the OEB, even though this rate was 1.6 percentage points below the level recommended by the board.

Under normal economic conditions, such a vigorous review process in cutting costs would be considered sufficient to allow for the lowest possible increase to the consumers of Ontario.

However, these are extraordinary times and our government is committed to combat inflation and to support to the fullest extent the federal government's anti-inflation programme.

This is why I recently announced the creation of an all-party committee of the Legislature to determine whether or not the rate proposals for 1976 are in keeping with the anti-inflation programme of the government of



Canada. The committee will report its findings to the Legislature before the end of this fall session.

Ontario Hydro's long-range plan for the electric power system in Ontario is contained in a report which was made public in July, 1974. The report is based on projected growth in the province and takes into account the need to provide an adequate and reliable supply of electrical energy at a reasonable cost with an acceptable impact on the environment and agricultural lands and conservation of our non-renewable fuel supplies.

Hydro invited the public to comment on the report and more than 14,000 copies were distributed to individuals, citizen groups and various organizations. This report is now being reviewed by the Royal Commission on Electric Power Planning, chaired by Dr. Arthur Porter of the University of Toronto. The commission will examine the need for expansion of the Hydro system and will hold a series of meetings around Ontario to receive submissions from all concerned citizens in the province. This procedure will ensure that not only will the public be fully informed, but also will have an opportunity to participate in Hydro's long-range plans. The final report of the commission will be used as a guideline for the expansion of the Hydro system for the years 1982 to 1992.

On the ministry's recommendation, an interministerial task force has been charged with the responsibility for establishing a plan for orderly electrification of selected remote communities not covered by the Department of Indian Affairs and Northern Development programme. The plan will be implemented by Ontario Hydro. As a possible alternative to diesel generators, the ministry is investigating the application of windpower, which I have already mentioned, in communities currently without electric power.

A project to supply power to Moosonee was considered and construction is currently under way. It is hoped the line will provide its first power by the end of 1975.

The restructuring of the long-established municipal electrical system in Ontario has been a concern of the ministry. To provide a mechanism for resolution of the issue, the government appointed a municipal utilities restructuring steering committee. The purpose of the committee is to act as a co-ordinating group and to establish local study teams in each regional area where there have been changes in the municipal boundaries. The local study teams are composed of municipal government, regional government, the municipal hydro and labour representatives from

each area. When the local studies are completed and recommendations submitted, they will form the basis for amended legislation to provide for the re-grouping of municipal hydro utilities in restructured municipalities.

Economists in my ministry forecast that energy spending in Ontario, this year alone, will be roughly \$5 billion. Obviously this figure could grow significantly with increased consumption and higher prices.

A major goal of my ministry is to reduce the rate of growth of per capita energy consumption in Ontario by one-third over the next five years. Achieving this objective is the assignment of Ontario's energy management programme.

We launched the programme last March and already 14 ministries have 70 projects under way. The projects are designed to provide operational management assistance to all sectors of Ontario's economy; to assist in reducing energy waste and to make the most of our dwindling energy supplies. Part of this activity will take the form of demonstrating practical, proven applications of existing and new energy-saving technology.

For example, the Ministry of Transportation and Communications is studying ways to recycle a potential 40 million gallons of used lubricating oils annually in Ontario. The Ministry of Agriculture and Food is studying ways to reduce fuel usage in greenhouse operations and is investigating ways to improve grain-drying operations and thereby reduce fuel consumption. The Ministry of Industry and Tourism is operating an "Energy Bus" which visits industries and, through a mini-computer on board, analyses power consumption and gives an immediate read-out of savings that can be achieved through good energy management. By the end of October the bus had visited 50 industries which had a total energy bill of about \$10 million annually. The bus crew identified potential savings of about 17 per cent on average.

The success of the energy management programme will eventually make it possible to reduce the demands for capital for the construction of new energy facilities. The aim is to reduce the environmental damage resulting from energy use, to extend the life of our non-renewable resources, and in the process to save money for those who effectively conserve and manage energy.

Over the past year, the ministry has laid increasing stress on the security-of-supply component of the energy situation, while at

the same time we have attempted to ensure that Ontario consumers get full value for their energy dollars.

Much of our work has involved the ministry in representing Ontario at hearings before federal and provincial regulatory agencies. During this fiscal year, the ministry intervened in 13 hearings before the National Energy Board and the Alberta Resources Conservation Board. The interventions the ministry has made have been undertaken to protect the interests of Ontario energy consumers by promoting the lowest possible prices consistent with security of supply. While the ultimate decisions rest with the regulatory agencies, our interventions serve to place the Ontario viewpoint before the appropriate body.

It is not usually possible to determine in absolute terms the success of these efforts on behalf of Ontario energy consumers, but I should point out that the price increases at issue have amounted to several hundred millions of dollars. Thus we feel it is crucial that our province's voice be heard on these matters.

The third area of the ministry's estimates which I would like to deal with is the Ontario Energy Board. This committee is doubtless aware that the gas distributors in Ontario function in a monopolistic situation, and accordingly, to protect Ontario consumers, the utilities are regulated by the OEB. The board is responsible for the fixing of just and reasonable natural gas rates.

Major hearings on natural gas rates have been in progress this year and since the federal government has decided to increase the Toronto city gate price to \$1.25 per thousand cubic feet, it would appear that the level of activity will be maintained.

[8:30]

All three major gas distributors in the province have been before the board during the past year, and into this year, for the purpose of fixing just and reasonable rates. The initial phase—establishing rate base, return on rate base and reasonable return—has been completed for all three companies and reasons for decisions have been issued by the board.

In the cases of Consumers' Gas and Union Gas, the second and final phase of the hearings, namely a review of rate design, has been completed. The Union Gas hearings on rate design commenced shortly after Consumers' Gas. Both hearings ran concurrently for several weeks. During this phase, the method used for cost allocation, the philosophy of rate design and the contribution by each

class of customer to the cost of service were examined in detail. Reasons for decisions have been issued for Consumers' Gas. As a result of this decision, the company will be permitted to move towards a uniform rate structure across its entire franchised area and will eliminate multiple location billings and discontinue the use of range rates for large volume customers. Reasons for decision were recently released in the case of Union Gas.

As you know, an amendment to the Ontario Energy Board Act in 1973, empowered the board to review certain aspects of Ontario Hydro's functions. I have already mentioned the recent Hydro rate increase hearings which the board conducted. Now I would like to turn to the fourth programme area of the ministry's estimates—the Ontario Energy Corp.

This year the government established the Ontario Energy Corp. for the purpose of investing and participating in energy-related projects in order to further the assurance of adequate and secure supplies of energy for Ontario. It is anticipated that the Ontario Energy Corp. will eventually fulfill this function as a financially self-supporting enterprise.

A five per cent equity in the Syncrude project, at an estimated capital cost of \$100 million, represents the first venture of the corporation. This investment was made in light of the National Energy Board findings which confirm the fact that Canadian crude oil supply from conventional sources will be declining by the end of this decade. In announcing the decision to participate, the Premier (Mr. Davis) noted that the Syncrude plant is critical to the ongoing development of the enormous potential reserves of the oil sands in Alberta.

Also, on July 30, 1975, I announced an investment of up to \$10 million by the Ontario Energy Corp. in the Polar Gas Project to bring gas from the eastern Arctic islands to markets in southern Canada.

Although the investment opportunities available to the corporation continue to be presented to us, there are no additional projects under active consideration at the present time.

In summary, Mr. Chairman, I would like to say a few words about the gravity of our energy situation in Ontario. We have all heard it said that the age of cheap energy is over. But do we really understand what that means? The National Energy Board indicates that we may face difficulties with the supply of natural gas within the next few years; and, by the early 1980s there is a dis-



tinct possibility that Canada will have to rely increasingly on imported crude oil, which means paying the high world price for it.

Even today, new supplies of oil and natural gas that are being found in Canada are becoming increasingly more expensive to develop.

In this context, I ask you to take a look at Canada's energy consumption pattern. We use more than two times as much energy as western Europe on a per capita basis; and we use about five times the world average. A lot of that energy is being wasted, and we can stop wasting it.

When I have been speaking to various groups around the province over the last few months, my message has been that we can no longer afford to squander what energy resources remain. If we fail to change our energy-consumption pattern through better management and setting long-range plans to capture new energy sources, then the lifestyle which we enjoy today will be over.

Mr. Chairman, I consider myself to be a realist. I don't believe in energy miracles. I am not expecting great breakthroughs that will somehow result in our finding more billions of low-cost, easily-delivered sources of energy to satisfy our voracious appetite.

I say to this committee that we cannot carry on as though today's critical problems were simply temporary aberrations in the world energy picture. We can't afford to act irresponsibly for short term political gains. We have to face the facts. We have to stop savouring the past and start saving and producing for the future.

Mr. Chairman, I would now like to call upon my deputy minister, Dick Dillon, to give this committee an over-view of the energy supply and demand situation in Canada today. Thank you.

**Mr. Chairman:** Thank you, Mr. Minister. Mr. Dillon.

**Mr. Dillon:** Mr. Chairman, if I could just beg your indulgence and get this machine set up. I have to have some light; Mr. Chairman, this is the power failure that you were talking about.

In the minister's closing remarks he made mention of the tight situation in energy which we're facing. These remarks, I hope, will be a graphic representation of what he was referring to. Let's look, first of all, at Canada's energy demand and supply forecasts. I'm going to deal with crude oil, natural gas, coal and uranium—the depletable energy resources. I'll begin with crude oil and natural gas, be-

cause at the present time these supply the major portion of our total energy requirement—provincially as well as on a national basis—and will continue to do so, certainly for the next decade, and most probably for the next two decades. I'm also going to touch on coal and uranium since these, as the primary fuels used for the production of electricity, are the energy sources destined to make the greatest contribution to the growth of supply over the next decade.

Our first slide describes the current supply-demand relationships in Canada for crude oil, projected to 1993. On the vertical axis, we see thousands of barrels per day and the horizontal axis is the time-frame.

I should say there are always assumptions and speculative considerations in projections of this kind, but it is only prudent to note that the situation depicted on this slide begins to become potentially serious within a very short space of time. Data was extracted from a report of the National Energy Board entitled, "In the Matter of the Exportation of Oil," which was published in October, 1974.

This document is relatively current and based upon extended hearings and credible analysis. It cannot be brushed aside, for the conclusions are reinforced by a great deal of research, including work done by our own ministry.

An update of this report by the National Energy Board is expected to be released in the very near future, possibly late in November or early in December. We expect that the new forecast for supply will be even more thought-provoking than those published just over a year ago.

Let's analyse this picture. We'll start by first looking at the top red line which is total Canadian demand. It indicates consumption in Canada in 1975 at some 1.8 million bbls a day. This is a level that is to grow at an annual rate of about 3.2 per cent, so that by 1980 the estimated demand will have risen to about 2.3 million bbls a day and by 1990 to close to 3.4 million bbls a day.

We should note that the NEB has not considered any flattening of this demand curve that might result from energy conservation measures. In the ministry we anticipate, as the minister has said, that through effective energy management we might reduce the rate of increase of demand considerably. But the shortfall, as indicated here, will be such that conservation, although highly desirable, is just not going to provide us with much of an out in the short run.



We'll now consider the elements of the total supply, starting with the bottom of the chart. At the very bottom, the area that Fred Button is pointing out, is the supply emanating from the phentaines, which are the liquids produced from natural gas and which end up in the petroleum stream. Above that, you will observe the portion that is to come from the oil sands. You will observe that the assumption is made that production of **synthetic oil from the oil sands is not going to be a substantial portion of our production during the early 1970s.** This is a safe conclusion, given the lead time required to bring projects of this magnitude into production. But once into the 1980s, it is assumed that one new plant will be coming on stream every two years, and that to an increasing extent our indigenous sources of oil will be extracted from the sands and from the heavy oil.

Two in situ plants are projected to be in production during the 1980s. These plants are the ones which will extract the crude oil from the sands in place, in other words from the lower deposits which cannot be reached by conventional mining techniques. The potential producibility line, which essentially sums up the—I'm sorry, I missed my place here.

Above the oil sands area is the supply from the traditional sources, that is from the western sedimentary basin, and the amounts which it is estimated can be obtained from additions to those reserves. The potential producibility line, which essentially sums up the component sources, will peak, as you can see, very soon, in the next year or two, and then moves down with a disturbing persistence.

Producibility, incidentally, is defined by the energy board as the estimated annual average ability to produce, unrestricted by demand but restricted by reservoir performance, well density and well capacity, oil sands mining capacity, field processing and pipeline capacity. Now the crucial fact of this figure is the crossing of the lines of total Canadian demand and potential producibility.

As you will note, these two lines cross at approximately 1977. Further to your right on the figure, you'll observe that with demand rising and potential producibility continuing to fall, the potential producibility will supply demand west of the Ottawa Valley only until 1984.

I'm going to digress here for a minute. You may recall that in 1961, after the Borden report, it was agreed that that portion of Canada which lies to the west of the line roughly along the Ottawa Valley was to be

supplied by western Canadian crude, and this market was protected in order to support the development of a new Canadian industry. That portion of Canada east of the line, which incidentally did include a small part of Ontario, the Province of Quebec and the Atlantic provinces, was to be supplied from imported crude, principally from Venezuela.

That gives us the reason for the two red lines in the middle of the graph. Recently it was decided to extend the pipeline from the west, the interprovincial pipeline which terminates now in Sarnia. The proposal was to extend this to Montreal to allow for the movement of western Canadian crude to the Montreal market. If we assume that 250,000 bbls a day of western Canadian crude are shipped to Montreal through this extended facility, then demand will exceed supply by 1982. That's the reason for those two red lines there.

It therefore appears that we must face the fact that Canada is destined in the relatively near future to lose its self-sufficiency in crude oil and as early as 1977 Canada could become a net importer. This very real prospect of a growing dependence on off-shore crude oil supply has already spurred the initiation of two major crude oil projects in Canada which already have been mentioned: that's the Syncrude project in Fort McMurray and the extension of the IPL line, the interprovincial pipeline. This IPL line may take on increasing importance for Ontario as supplies from western Canada become insufficient for our needs. The line could then be reversed to bring imported crude oil or possibly crude oil from the Atlantic shelf from Montreal into the Ontario market.

[8:45]

Now we'll turn to the next slide, which describes our prospects for natural gas. This slide illustrates the supply-demand picture from 1974 to 1995. The vertical axis is in trillions of cubic feet, which is expressed as tcf. This slide is produced from data from the 1975 National Energy Board report dealing with Canadian natural gas supply and requirements. It is, therefore, current. This slide, like the previous slide on crude oil, is in fact a national consensus; a sort of averaging of the views of producing companies, transportation companies, consuming and producing provinces; it's a balance between the most optimistic and the most pessimistic views expressed before the board. Ontario had a direct and substantial interest in the hearings and in the production, therefore, of this report.

Canada's total domestic natural gas demand is shown in the lower left hand corner, rising steadily from approximately 1.5tcf in 1974, to approximately 4.2tcf in 1995. If the natural gas under contract for export is added to the total domestic demand, then a line approximately one trillion cubic feet greater parallels the total domestic demand line until about 1985, and thereafter slowly tapers down as export contracts now in force expire. The bulk of these export contracts will end by 1990.

The red and the pink areas show natural gas supply. The dark red area shows the natural gas now available from producing wells in the western Canadian sedimentary basin. These will be unable, as it shows there, to meet future demand. The pink area shows that future potential development and additions from the western sedimentary basins still will not be capable of supplying the domestic demand plus exports.

The bluish areas, or the greyish areas if you like, indicate supply predicted to be available from the Canadian frontier, the northern frontiers. The lower or darker area shows gas from the Beaufort Sea and the Mackenzie Delta area, while the upper or lighter area pertains to natural gas from the high Arctic islands.

If both the domestic and export demand forecasts are to be met, then both frontier natural gas supplies are required. Eventually, both frontier sources will be required to meet forecast domestic demands in the 1990s.

The years shown in which the frontier natural gas will be available for southern Canadian markets are estimates, perhaps optimistic, depending on a number of very important assumptions. It is assumed, for example, that there will be no significant delays in regulatory proceedings, that construction problems will be solved and that adequate reserves will be discovered to support financing of the facilities.

As you know, the Mackenzie Valley pipeline hearings are now in progress before Mr. Justice Berger, who is considering the environmental-social impact; and the Natural Energy Board, which is dealing with the need and feasibility in a technical, economic and financial sense.

So much then for oil and gas; we'll now turn to coal. Most important to us here tonight, I suppose, is the coal supply for Ontario Hydro, or the phenol coal, a coal that we convert to electricity. The lower red line illustrates coal imported from the United States, where Ontario Hydro purchases nearly all its coal. The nine million short tons imported from the United States in 1975 ac-

counted for virtually all of the coal that we burned.

The 1975 to 1979 interval on the supply slide simply shows that we have entered into additional import contracts, but it is also apparent that we don't expect to increase our supplies of coal from the US sources after 1979. This is merely a reflection of the realities of the US-energy situation.

You will note that the upper line rises. Ontario Hydro demand for thermal coal will be going up relatively steeply and, as the minister has said, we have encouraged Hydro to diversify away from total dependence on the United States. The alternative is western Canada, and perhaps some coal from Nova Scotia.

Apart from the relatively modest lignite deposits at Onakawana, Ontario lacks proven coal reserves. Hydro hopes to buy more coal in western Canada. In 1974 they announced a plan to make test burns on western Canadian coal. If these tests which are now in progress are sufficiently encouraging, Hydro could be purchasing up to five million tons a year over the next few years. The cost is expected to be high, higher than that from US sources, but there are arguments in favour of the use of coal from Canadian sources—security, supply and nation-building, among others. As far as the cost is concerned, in comparison the estimated cost fob Toronto for western coal in 1977 will be approximately \$38 a ton, versus \$23 for coal from US sources.

As you will note, we look for the Ontario Hydro demand curve for thermal coal flattening around 1979, and holding flat after that time. You might bear that in mind for reference when we come to project the supply-demand relationships that will apply to uranium.

The provinces that have extensive coal reserves in Canada are British Columbia, Alberta, Saskatchewan and Nova Scotia. They have, or are making provision, to dedicate thermal coal for use of their own provincial utilities, with the generating stations being located on or near the mines. Up to this point in time, the lesser amounts of thermal coal required by Manitoba and the western region of Ontario Hydro have been obtained from incremental additional output from existing mines in the west. But Ontario Hydro's new demands—future thermal coal requirements—are so large as to require the dedication of complete mines. Negotiations are in the final stages for the first of these dedicated mines to be in Alberta, producing three million tons of sub-bituminous thermal coal per year for



movement to Ontario, beginning as early as 1977.

We should understand that application for development and reclamation approval for the opening of a coal mine in Alberta is a complex undertaking. The complexity results from the desire and the need to protect the environment. The applicant desiring to open a coal mine in Alberta must come under the scrutiny and obtain approvals from the Energy Resources Conservation Board of that province; the Land Conservation and Reclamation Council; the Development and Reclamation Review Committee; the Natural Resources Co-ordinating Council and the cabinet minister also involved in the energy, decision-making process. It would be entirely unrealistic, therefore, for we in Ontario to expect anything but the strictest environmental standards to be applied by those responsible authorities when developing a mine to supply coal for consumption outside that province.

**Mr. Peterson:** Mr. Chairman, I shouldn't interrupt, but may I ask Mr. Dillon how long this is going to go on because I know that the opposition parties have a lot of important things to say on this issue?

**Mr. Dillon:** I won't be five minutes more, Mr. Chairman. I thought you might be interested.

We'll slip that slide. That was a slide on metallurgical coal where the situation is roughly the same as perfect thermal coal. This slide illustrates the supply-demand relationships for uranium in the western world. I didn't draw your attention to the fact, but again the supply lines show a lot less vigour than the lines that depict demand.

Looking now at the graph for annual demand for the entire western world, which goes steeply up from left to right, in the period of the graph, which is 1975 to 2000, projected demand increases by some 10 times and a little more. As you will observe, the North American demand, though it does not increase at the same steep slope, does increase very substantially. Ontario's growing demand, which will be shown in the next slide in more detail, is buried in the little dotted space between US and the total North American demand. Small though it may appear there, it's vital to Ontario.

Now look at the potential supply in the western world. It will rise for the next three years and then will turn rather abruptly down and will fall very far short of the total demand in the western world.

A couple of comments may be appropriate. Canada has over 20 per cent of the

uranium reserves in the western world, and Ontario has some 80 per cent of Canada's proven total. Almost 90 per cent of Ontario's current uranium production is now committed to foreign markets, and an expansion of production capacity is taking place to meet this demand. Federal guidelines protect domestic consumers, such as Ontario Hydro, by requiring the setting aside of reserves to provide a 30-year supply of fuel for all Canadian reactors in service in a given year, or to be in service 10 years hence. No exports will be allowed until this requirement is met.

Known Canadian reserves will satisfy this policy until the mid-1980s. This does not mean that we would be out of uranium in the mid-1980s, but it does mean two things.

First, we would have in the ground just enough uranium to satisfy the lifetime requirements for all reactors in service or to be in service by the mid-1990s. It also means that we must begin immediately to discover more uranium so that now production capacity can be in service in the late 1980s. As recently announced, Hydro is playing a part in uranium exploration in joint ventures with the private sector.

Just one more slide. Until technology allows for the development of renewable resources, a major emphasis is going to be placed on nuclear generation, as shown in this slide 6. The escalation in the price of fossil fuels which we've talked about, particularly crude oil, has altered the economics of generation in favour of nuclear. As we noted earlier, Ontario does have a very large indigenous supply of uranium. On this basis, expansion of the nuclear component makes sense.

To recap quickly, Mr. Chairman, as far as crude oil is concerned, we see a growing dependence on imported crude with a balance of payments problem on a national basis. For natural gas, the need is to bring frontier reserves to market, and here we have to overcome environmental and social considerations and capital requirements. For coal, there's a need to develop western reserves; and on uranium, we need to get on with exploration. Thank you, Mr. Chairman.

**Mr. Chairman:** Thank you, Mr. Minister and Mr. Dillon. Mr. Burr, I understand you have a few remarks.

**Mr. Burr:** Mr. Chairman, in leading off in the energy estimates it was my intention to speak only, and fairly briefly, about the need and urgency for research and development of alternate energy systems. However, recently the nuclear regulatory commission in the



United States has been talking in terms of a nuclear park; the term used is the nuclear power reservation. This would be an area up to 100 square miles containing as many as 40 nuclear reactors. Such a complex has been suggested for Minnesota, and would undoubtedly be along Lake Superior, because it would require twice as much water daily as the city of Chicago requires.

I read recently of some nuclear power plant that had been pouring out its warm water for some time with no apparent harm to the fish in the nearby waters; but when a shutdown occurred during one of the winter months, the effect on the fish or their spawning process was fatal. This, of course, affects merely fish, but why does our society insist on going after an energy system fraught with so many problems and hazards?

A nuclear power reservation would almost certainly change the weather in its vicinity, if nothing else. How does the minister react to such concepts turned out by the nuclear enthusiasts? From time to time, we hear that Canada may go ahead with the development of nuclear fusion reactors, which would of course produce new contaminants. Among them would be tritium, which would become a long-lived, radioactive constituent of water which will of course contaminate all environments and all living things, according to Dr. Lamont Cole of Cornell University. Professor Frank Parker, a one time member of the health physics division of the Atomic Energy Commission's laboratories at Oak Ridge estimated that a single 1,000 megawatt fusion reactor would generate 1.1 million curies of waste tritium every day, and that by the year 2000, an all fusion power economy—I assume he meant in the United States—would result in unacceptable worldwide dosages.

[9:00]

Tritium can cause cancer if inhaled in sufficient quantities, or if ingested in sufficient quantities or absorbed through the skin in sufficient quantities. Even with nuclear fission, tritium is already leaking into our environment. Inside the plant at Pickering, those workers who come into contact with tritium must do so in plastic suits that are so completely sealed that breathing takes place only from air pumped in from an outside source—at least that's what I'm told. Outside the Pickering plant, tritium has been found in water vapor by our Ministry of Health. At present tritium's hazard lies in the fact that it builds up in the food chain and in the environment near nuclear plants.

No matter how safe the actual operating experience of CANDU generators may be,

there does exist the slow, insidious, long-term contamination of the human environment. So why do we continue on this hazardous course when there are other alternatives available. How soon these other systems are available in adequate numbers depends entirely on our willingness to assign manpower and science power to the task of research and development.

I wonder if the minister is aware of the recent statement by the National Council of Churches in the United States calling for a moratorium on decisions to proceed with plutonium fueled reactors as a major energy source pending further study of the social, technical and other aspects involved. I wonder also whether the minister realizes that this is a reversal by the National Council of Churches of its endorsement of the peaceful uses of the atom 15 years ago?

This ministry has made only token efforts in the field of solar energy; a \$30,000 study in northern Ontario for example. Our society seems to have very little sense of the proper priorities. Up in Ottawa recently, we let the Canada Council assign half a million dollars to a study of Disraeli, of all people, when dozens of scientists are clamoring for a few thousand dollars to let them further the necessary research into finding superior hardware for wind turbines, solar energy collectors and improved batteries.

Recently our Ontario government spent about half a million dollars on a select committee to study land drainage legislation in Ontario, a job that could have been done just as well by a couple of civil servants given a leave of absence from their normal tasks. Yet we have a \$30,000 study for northern Ontario in the field of wind power.

A year or two ago the federal government announced a \$5,000 grant to the Brace Institute at McGill for wind turbine research. As I recall it, the MPs who raised their salaries in Ottawa a year or so ago got about \$7,000 in retroactive pay when they finally got their legislation through. They gave a paltry \$5,000 grant to the Brace Institute at McGill for wind turbine research—and yet last month down in Ottawa they gave 100 times that amount to the study of a 19th century English statesman. What kind of priorities has our society?

Fortunately, there are a few private individuals who are promoting solar power, despite their limited resources. Solarthermics in Nederland, Colorado, is licensing for the manufacture of a solar furnace, which will provide from 40 per cent to 90 per cent of the heating requirements for houses down in

the Maritime provinces. The estimated cost for a unit is less than \$1,000.

The same company has promised to market next month a solar-powered, electric home refrigerator for about \$1,500. The same company also plans solar water heaters—which are used in hundreds of thousands of homes in Japan and Australia and Israel—and plans a solar-powered, 200 horse power automobile.

One stumbling block to the development of inexpensive solar energy systems has been the high cost of solar cells or batteries. Those used in the spacecraft that went to the moon cost about \$600 per watt. Research has now brought the price down to \$30 per watt and the United States National Science Federation predicts solar cells costing 30 cents per watt by 1986. The US National Science Federation predicts that 100-megawatt solar energy systems will be available in 15 years.

A German engineer, who has been financed by the US National Science Foundation, recently designed a three-megawatt wind turbine. If wind turbines on this scale are introduced, there will be no need to continue with the risky nuclear programme, with all its hazards and heavy responsibilities for our descendants.

But, Mr. Chairman, there is a nuclear establishment. It exists in all the advanced industrial countries, and they are interested in the nuclear programme—not in the alternatives. So the alternatives must be promoted by political people; they will not be pushed by those with the vested interests.

Improved batteries for storing wind-generated energy are already appearing. A new 12-volt Delco battery is on the market. Costing about \$100, it is capable of storing and then producing on demand almost 500 watts for one hour or 100 watts for five hours. When you have a set of 10 of these new Delco batteries—which would cost about \$1,000—they would be able to produce almost 5,000 watts for one hour, or almost 1,000 watts for five hours, or almost 500 watts for 10 hours. And 500-watt turbines are already on the market at a cost of about \$1 per watt.

There are all kinds of bright young engineers and graduates in related disciplines who would jump at the chance to make their fame, if not their fortune, in the solar energy field. Of course when I say solar energy I include the wind energy field.

Pittsburgh Plate Glass Industries supplied the flat plate solar collector that has been used in the solar house in Columbus, Ohio. This house, situated in the fairgrounds, employs 37 flat plate collectors, each approxi-

mately two sq. metres in size, a total of 74 sq. metres, approximately, being covered. It supplies between 75 per cent and 90 per cent of the energy required for heating, cooling and the hot water needs of that house. Has the ministry investigated this? Has the minister sent people there to see this?

In Europe, Philips Industries of Eindhoven in Holland has built an experimental house. Its solar collectors, using vacuum tubes and double glazing, cover only 20 sq. metres of the roof, yet collect between 10,000 and 12,000 kw hours of energy in a year. This seems to be considerably more efficient than the flat plate collector. I wonder, Mr. Chairman, whether the ministry is investigating this. If so, is the ministry recommending the Philips panels for the experimental homes being built by Ontario Housing?

In September of this year, construction was scheduled to start—I haven't heard whether it did or not—on the first building in New York City to make practical use of solar energy for heating and air conditioning. This is a two-storey conference centre to be built on the top of a 12-storey set-back of the 70-storey RCA building in Rockefeller Centre. It is expected that enough solar energy will be collected in summer to cool a conference room of approximately 40 by 40 ft; and in winter enough energy to supply over one-quarter of the heating requirements, and over half of the hot water requirements of the entire 24,000 sq. ft., two-storey conference centre.

It may be that our Ministry of Energy is content to monitor—to use one of its favourite expressions—research in the United States and elsewhere, and to await for developments. This would explain the minister's echoing of the United States Atomic Energy Commission's propaganda that solar power is decades away. In the United States it's the newly created Research and Development Agency that is allocating the funds. Because 91,000 of its 92,000 employees came from the now defunct Atomic Energy Commission, it is not to be wondered at that the new agency is pro-nuclear, allotting over \$2 billion to nuclear research and only \$57 million to solar energy research.

Most of these few millions have gone to Westinghouse and General Electric, the two major builders of nuclear reactors. They are still waiting for their multi-million dollar investments in nuclear power plants to show a profit, and it's not likely they will be straining themselves to further the cause of solar power.



The oil companies aren't taking any chances either. Senator James Abourezk warned in a speech last year, and I quote him:

While the Atomic Energy Commission is trying to deceive the public into thinking that solar energy is 'decades away', Exxon, Gulf and Shell have bought up solar companies and are doing whatever is necessary to make that prophecy come true.

If Ontario wants to conserve its limited energy resources it should not depend on others to show the way. The Ontario and the Canadian governments should show leadership and initiative. Ontario has many windy areas and wind power is the most promising of the various solar energy methods. Because wind-generating systems are modular, that is composed of many units, they lend themselves ideally to mass production.

In the words of Merrill Lynch, Pierce, Fenner and Smith: "incremental installation and geographic dispersion, all factors enhancing their economic competitiveness."

[9:15]

Ontario's research and development thrust should be in wind power. Although the oil companies may show little interest in the oil energy, there are many people who are showing serious concern. Let me give a brief quotation from the American Institute of Architects' task force on energy conservation, page 15:

We [meaning Americans] are readily and even frantically investing increasing amounts to accelerate the development of atomic and nuclear power while ignoring the site-generating, low intensity, decentralized capabilities of small solar collectors in buildings. We have a proven technology in a more advanced state than nuclear technology, which would, if properly pursued, give as much equivalent energy as nuclear technology is expected to provide within the next 20 or 30 years. And, it could start now.

The report of the architects' task force states that the potential savings in energy conservation in buildings are still somewhat ambiguous, with estimates ranging from 25 to 50 per cent in older buildings and between 50 and 80 per cent in new construction. These higher figures incorporate on-site energy generation, usually solar.

The report emphasizes that these conservation opportunities are available within existing technology and knowledge. The report says: "The only stumbling blocks to their im-

plementation are either economic, political or attitudinal."

Perhaps the most important thought I can leave with the minister is that waste and inefficiencies that are inherent in energy conversion are such that roughly two units of energy must be produced in our society for every one actually used. Looking at it from the conservation viewpoint, a BTU saved is two BTUs earned.

With wind energy and other forms of solar energy, apart from the initial capital costs which are mostly human effort; and the maintenance costs which are almost entirely human, there is no further drain on the earth's energy capital. Windpower and other solar energy systems make economic, as well as ecological sense. The same cannot be said for other forms of energy use.

As you may be aware, Bill 20 is having second reading in the House and I should like to be present for part of that debate. For that reason, I should like to excuse myself shortly. There are a few questions on policy that I would like to ask after we hear from the Liberal lead-off speaker. So I will leave it at that for the moment.

**Mr. Chairman:** Thank you, Mr. Burr. Mr. Peterson.

**Mr. Peterson:** I am very impressed with the minister's statement and I am fully convinced that the minister and his department have a very real understanding and appreciation for the depth of the problem. There are very few more serious problems facing a jurisdiction like ours, in our respectful submission, that could hurt us more badly in the long-run, that could substantially reverse our economic status and the standard of life we are all used to.

We treat this problem with utmost gravity. We appreciate the attention that the ministry is giving the matter at this time. But we think it is not good enough and we don't think it is nearly quickly enough and we really don't feel that the action is commensurate with the expressed concern.

For example, you talk in your speech, Mr. Minister, about solar energy and wind energy and investigating those particular areas.

I have a clipping from one of your senior people, Dr. Higgins. He said the province spent between \$50,000 and \$75,000 on solar energy projects this year, plus about \$30,000 assessing wind energy systems. Unless this is a misquote, it seems to be a mere pittance, a mere drop in the bucket, compared to the potential in that kind of area. As my friend



indicated earlier, there are so many areas. They have failed with things like transportation, but maybe it is a chance to be inventive. Maybe this is a chance to do something constructive, given our unique energy-intensive and energy-poor province.

There are two major areas that concern us very much. One is the jurisdiction of your ministry—it is a real hodge podge. We don't feel that it is being organized to bring a substantial number of problems under effective political control.

Let me talk for a moment about Hydro and the progression of problems on the Hydro rates. I know you are quite well aware of them. Hydro came up with a rate increase of 30 per cent which had considerable political reaction. It goes back to the Ontario Energy Board and they changed it to 27 per cent, although Ontario Energy Board's power is only to review.

At the same time, you have the Porter commission investigating Hydro's plans from 1983 to 1993, and perhaps beyond. I support very much what Dr. Porter is doing. He is running a highly participatory committee, very much in the public interest. At the end of his exercise I am not sure whether he will publish a paper on public participation or one on where Hydro should be. Nevertheless, I do support that.

I think it was late coming. It should be going on now—we have some very critical problems to solve before the year 1983—although I realize he is applying his mind to some priority items between that date.

There are exceptions I grant you, but it is the first independent review we have had of this kind of massive programme that is so going to shape and affect the nature of the Ontario we are all used to. It is a very scary thing to look at some of the long range plans of Hydro and see southwestern Ontario ringed with nuclear plants with all the attendant problems.

Our assessment is that these have to be political decisions. There can be absolutely no shirking of that responsibility, the legislators of the day have to clearly bear those responsibilities. As much as we admire the technical efficiency of Hydro, we feel that the duplication of authority, the uncertain authority, and indeed the confusion of authority—which is, in some respects, brought about purposely I submit—have not served in the public interest.

I refer you to Professor Nelles' book, "The Politics of Development"—I am sure you have all read it. He wasn't exactly talking of the

time-period we are talking about, but I think it is something very relevant—as politicians, something to which we have to address our minds.

Ontario Hydro never became the beach-head for an ongoing critique of industrial capitalism. Instead, the dangerous principle upon which it rested remained locked up within the confines of the commission, and the commission was allowed to remove itself as far away from politics [but not the end of it] as possible. This, it was argued, was absolutely essential if the organization were to be run in accordance with proper, businesslike principles. [A key phrase.] Hydro entered politics only to escape from it. In this there was a double loss.

Our submission is that the government has to move very quickly to take control of these things, rather than the piecemeal control of wage structures which has had such a profound ramification on our way of life. It is not satisfactory—in Hydro's interests, the people's interests or the government's interests—when these things become an embarrassment or a problem to refer them to a special committee; such as the special committee now dealing with a rate increase in the order of 25 or 27 per cent, or whatever it is depending upon who you talk to. It is a matter of public record that Hydro's submission next year will probably be for another 25 per cent rate increase, depending of course on what happens this year; and the year after that 19 per cent.

I respectfully submit that the ad hoc way of dealing with these kind of issues does not behoove a government with the kind of expertise that you possess in it. I would urge you to address your minds to a more orderly system of measuring the rates, the social impact, and I think you could do it far more effectively than the very spotty way it's been done.

This relates to another point of jurisdiction with the oil industry. Again, the government, for political reasons, has put the oil companies under tremendous pressure and the consumer in a very poor position. We don't feel anyone is being well served.

We don't feel the oil companies have served the public well, and we don't think the government has served the public well in these issues, with temporary politically-operated freezes for indefinite periods of time. We don't feel that is the way to control an industry like the oil industry, which again is so sensitive to our whole way of living. Our submission is that this has to be brought

under clear political jurisdiction, subject to review.

In your speech, you say that if the oil companies increased their prices too much then you will again impose a freeze. I respectfully submit that you are not creating the proper atmosphere where private enterprise can develop intelligently on a well planned basis. In addition, you are not serving the consumer well. We urge you and beg you to say that these are political problems, clearly in the political sphere; let us address them as political problems and we will assist as a government to serve everyone's best interests. In our submission, this has not been done to date.

I was very interested in Mr. Dillon's dismal picture of the supply situation. I think everybody understands that, really, in many respects there's not very much we can do about supply in our particular jurisdiction, except perhaps with the coal deposits you refer to up north, and uranium. But it is beyond me to know why so much attention is put on the development of uranium and Hydro facilities that require uranium, when uranium is another finite resource. If I was the minister I would be very sure that I wouldn't be leaving my successor 20 years from now with the very same kind of problems you've got with oil today and natural gas today.

It is a matter of record that Ontario Hydro is worried about the supply situation of uranium. They are into the exploration business today. Why they are into the exploration business, when you've specifically incorporated the Ontario Energy Corp. to look after future supplies of energy, is again beyond me. Why are you allowing utilities to be in the exploration business and again add to the cost of that power they are generating? I just quote Mr. Taylor on this particular issue. Mr. Taylor said:

Studies indicate the production capacity within Canada, based on known uranium ore reserves, will likely satisfy annual domestic demands during the next 15 years, but may not be enough to supply domestic needs in addition to export commitments before the end of that period.

You are postponing problems, in my assessment, rather than solving problems. In our respectful submission, the principal way to attack the problem like this, the one over which you have the most jurisdiction and the one in which you have most miserably failed, is in the demand side.

I was a little concerned to hear Mr. Dillon's remarks, and I may not be quoting you properly, Mr. Dillon, but you said something

about conservation doesn't do much good or we can't see too much future in it, or it won't make a big dent on the programme. I could be misquoting you.

**Mr. Dillon:** I think I said that in the short term the amount that can be saved is not going to help us out much in the short term. We are talking about four to five years.

**Mr. Peterson:** It seems to me this is the area—

**Hon. Mr. Timbrell:** Let's not argue against conservation. It's rather saying it is not a panacea that will eliminate any shortfalls in supply that are facing us.

[9:30]

**Mr. Peterson:** We have some information in front of us that we think might be helpful; maybe the ministry has seen it and maybe it hasn't, but it doesn't seem to be acting with the dispatch that we think is critical in these times. I would like to start into my prepared brief if I may.

The situation which has been occurring in the past few years clearly indicates that Ontario never again can have an unregulated energy market. The oil companies no longer must be permitted to price their product at the retail level without government controls. The Ontario Energy Board must be empowered to review gasoline and oil prices and to recommend to the government appropriate action where price changes are applied by the industry.

The appointment of the royal commission on petroleum products pricing to merely to examine whether oil prices should be increased this time round and by how much, and the appointment of a select committee to merely examine whether Ontario Hydro's 25 per cent price increase is justified, will have served little purpose without subjecting energy prices to permanent regulation and constant scrutiny. Both the oil industry and Ontario Hydro have in fact been under jumbled government regulation. The amounts of increase in the past were surely not based on any real knowledge of the industry's real needs or of Hydro's demands in the future.

The Ontario Energy Board report examining Ontario Hydro bulk power rates for 1976 remarked that the real determinant of the 1976 bulk power rates is the capital expansion programme of Ontario Hydro and that a review of that programme is beyond the jurisdiction of the board this year.

Task Force Hydro, in report No. 4 in 1973, recommended that Hydro be directed to main-



tain those standards for reliability which are agreed upon from time to time by the government and Hydro. This, in effect, meant that the government and Hydro should jointly determine the level of the reserve margin which should be maintained. However, as yet no such joint analysis has occurred. The Ontario government must exercise greater control.

Ontario imports 80 per cent of its total energy requirements and has one of the highest per capita rates of energy consumption in the world. If we made production efficiency and consumption the focal point of our energy policy, rather than increased supply, we could substantially reduce our energy requirements.

It is also certain that no significant conservation will happen by itself without government leadership and the political courage to impose fair restraints upon consumption. The concept of conservation implies a rational management of resources and energy in order to sustain long-term supply while minimizing the negative impacts on the environment and other critical resources.

Energy policy no longer can be geared to the present alone but must also be a form of planned adjustment to projected situations. Today, conservation has become a necessity rather than an option because of the real gap between energy demand and energy supply.

Oil remains the dominant energy source in Ontario, with crude oil supplies and refining production contributing more than 46 per cent of the province's total energy requirements. The largest rate of growth for oil has been in transportation fuel demand. It is also the area where the greatest amount of inefficiency is occurring. Automotive efficiency, as measured by miles per gallon, has been declining, largely due to the increased weight of the new cars.

The automobile consumes more than 15 per cent of Canada's total annual energy bill and 20 per cent of Ontario's total energy bundle. The average car consumes 700 gals of gasoline a year. Cars with eight cylinders and weighing more than 3,000 lb are the worst offenders.

The Energy minister has predicted that Ontario will be short of oil and natural gas within five years. Current supplies of oil will not be adequate to satisfy growing demand. Therefore, we must moderate this increase before allocation or rationing becomes necessary. One way this can be done is by reducing fuel consumption in automobiles.

Refinery output of motor gasoline increased

11 per cent during 1974, up significantly from the five per cent rise in 1973. The total transportation bill annually in Ontario is \$2.5 billion; 70 per cent of this amount is for automobiles and their servicing.

We all remember the statement on June 7, 1973, when the former Minister of Energy proposed that a joint committee be formed to find a more closely related proxy for gasoline consumption than the present numbers of cylinders used for the licence fee. The proposal read:

The Minister of Treasury, Economics and Intergovernmental Affairs should undertake a study with the Ministry of Transportation and Communications designed to relate licence fees for automobiles more closely to the consumption of energy than is accomplished by the present simple rating by the number of cylinders.

The Ministry of TEIGA, through the deputy minister, Mr. Macdonald, replied it shared this opinion and is interested in pursuing this possibility as soon as possible. That was over two years ago. Nothing has been done.

Ontario is the only province in Canada with a schedule of registration fees for private passenger automobiles based on the number of cylinders. It is also the crudest of all energy-related proxies. Registration fees based on the weight of the vehicle would encourage people to switch to lighter vehicles which have the additional compensation of generally using less fuel than the heavier ones.

The report of the Ontario Committee on Taxation, commonly known as the Smith report, says it is nevertheless appropriate to use fixed fees based on weight as one source of road user revenues provided that these fees are not the major source of such revenues. At present, passenger car registration fees account for less than 15 per cent of the total motorist revenues so it is clearly acceptable in Ontario's case.

Ontario has the greatest number of passenger cars registered and the largest revenue from such registrations of any province. In 1973, Ontario's passenger car registration was 35.5 per cent of the Canadian total. Ontario can thus set an example for the entire country in its attempt to lower the increasing demand for oil, particularly in the area of motor fuel and gasoline.

Another alternative to reduce energy consumption would be to increase the provincial sales tax on certain high energy-consuming vehicles. Ontario already has a higher differential sales tax rate on various other expen-



ditures deemed to be in the luxury class, such as restaurant meals over \$4 per person and alcoholic beverages. There would seem to be no problem in classifying certain vehicles as being in this category for using too much energy and applying this higher sales tax rate on the purchase of them and, in turn, reduce the consumption of fuel in the transportation area.

However, the Minister of Energy goes around the province making statements that Ontario will be short of oil and gas in a few years. The Conservative government, in July this year, announced the tax on the sale of the larger and less energy-efficient North American cars would be removed but did not include the smaller more energy-efficient imported cars.

Another area where the government can move to reduce the increasing demand for oil consumption but has not done so is to require all automobile owners to have their vehicles checked and adjusted annually. This measure would reduce both gasoline consumption and pollution.

Studies undertaken by the automotive section of the Ministry of the Environment's air management branch have indicated that approximately 50 per cent of the vehicles operating in this province are emitting pollutants at a level which could be reduced by a relatively simple engine adjustment without producing any adverse effect on vehicle performance. Proper tuning of these engines can also bring about a significant increase in fuel economy with savings as high as 20 per cent quoted for vehicles which emit excessively high levels of pollutants. This would produce an annual saving of approximately 105 million gallons of gasoline in the Province of Ontario.

If the government was sincere in having Ontario's residents conserve energy then speed limits on provincial highways could be lowered. The Ministry of Energy's own statistics show that automobiles consume 20 per cent of Ontario's energy bundle and fuel consumption increases by over 12 per cent with each increment of 10 miles per hour. Again, no action has been taken.

In another area, under non-returnable containers, which I think relates to the kind of thing you're involved in, if the government was sincere in wanting to reduce energy consumption it could move to ban non-returnable bottles. The provincial government's Solid Waste Task Force report stated, in 1972, the total energy consumption connected with the manufacture and disposal of primary containers amounted to 3.3 kw

hours. This energy is sufficient to heat 25,500 average-size homes in Ontario for a year and this amount of energy consumption would be valued at \$32.3 million. If only refillable containers were used in the soft drink industry, the task force estimated that the annual reduction in energy consumption would amount to 392.1 million kw hours or a saving in energy cost of over \$3 million.

Ontario Hydro has been permitted to get out of hand. While Ontario Hydro already has a 30 per cent over-capacity—last year it looks like 39 per cent through a combination of circumstances—just to ensure it can handle peak power demand it plans on spending an additional \$14 billion in the next five years to expand that capacity by 50 per cent.

This capacity will be over double most other North American utilities. Two years from now, Hydro will have a 25 billion watt system and a peak demand barely reaching 16 billion watts and yet they want to increase further their generating capacity. Ontario Hydro's expansion plan is based on the assumption that the demand for electricity in Ontario will double every 10 years, or grow at the same rate as in the past.

The government has not challenged Hydro's growth assumption and we will continue our wasteful habits of energy consumption even though Hydro's projected demands for power have turned out to be much higher than actual demand. Moreover, Ontario Hydro's rate structure is geared to waste energy. In the city of Toronto, it costs 5.3 cents for the first 50 kw hours of power, 2.31 cents for the next 200 kw hours and 1.6 cents for unlimited use thereafter. Already Hydro is capable of producing twice as much electricity as we use on the average and one third more than we need even during peak period demand. No action has been taken to scrutinize Ontario Hydro's operation and protect the consumer in this area.

This lack of control has allowed Hydro to make some serious financial and operating mistakes in the past, which must be paid by the Ontario taxpayer. Although Ontario has warned repeatedly in the past about risking money in foreign money markets, their borrowings in Germany between 1969 and 1973 are costing the Ontario taxpayers over \$4 million a year in increased interest charges because of revaluation in the mark. Another \$56 million will be lost by the time the bonds are fully paid off.

Another decision by Ontario Hydro, to use oil to fuel two generating stations being built on Lake Ontario, will cost the Ontario

taxpayers over \$50 million more by 1979—\$50 million more than if coal had been used.

Ontario Hydro has been allowed to cut up this province with their transmission lines without independent public hearings and has ruined, in the process, some of the best agricultural land in the province. A brief from the Ministry of Agriculture and Food relating to the government approved 500 kv Bradley-Georgetown transmission line read: "The weightings did not give agriculture high enough rating in order of their priorities."

**Hon. Mr. Timbrell:** Sorry, who said that?

**Mr. Peterson:** That was a brief from the Ministry of Agriculture and Food.

**Hon. Mr. Timbrell:** To whom?

**Mr. Peterson:** To the citizen group that was looking after that—to those making a submission.

**Hon. Mr. Timbrell:** From the Ministry of Agriculture and Food?

**Mr. Peterson:** Yes. Regarding Ontario Hydro's proposed 500 kv transmission line between Lennox and Oshawa, the Ministry of Agriculture and Food again stated that agricultural land—especially crop land—seems to have been ignored completely. It is time that Ontario Hydro became accountable for their actions to the people of Ontario and served the consumers of this province. Ontario Hydro must cut back sharply and produce realistic expansion plans and must design a rate structure that encourages conservation rather than wasteful consumption.

The financial forecast prepared by Ontario Hydro predicts that the cost of running its system between 1976 and 1977 will be more than the system itself cost in 1970. Their proposals would seriously damage our economy.

It is no good for the government to refer Hydro's proposal to the Ontario Energy Board. Last year when Ontario Hydro requested a rate increase of 15 per cent, the Ontario Energy Board released a report highly critical of Hydro's policies, particularly in regard to inequalities in its rates, its reserve margins and the acceleration of its nuclear programme in view of the uncertainties involved. The board's recommendations, however, were ignored by Hydro.

Moreover, the Ontario Energy Board does not have the function to assess the economic impact of rate increases in the natural gas distributing field, nor in the matter of On-

tario Hydro increases. It is ultimate hypocrisy for the government to damn the federal government for allowing the price of petroleum to go up when it is not prepared to take similar actions to control the price of electrical energy in this province when it has direct jurisdictional control.

There are many areas that could be explored where we could be doing a better job. I point to one of those as the marketing division of Hydro that was recently disbanded. It is the marketing division whose function was to provide heat and loss calculation for buildings and to specify insulation requirements. The function was discouraged by Hydro and, I quote from an answer you gave in the House—  
[9:45]

**Hon. Mr. Timbrell:** To Mr. Spence?

**Mr. Peterson:** To Mr. Riddell.

**Hon. Mr. Timbrell:** Mr. Spence asked the question on the same day in a different way.

**Mr. Peterson:** They were all after you that day, eh? Again, I think your response to that one was that Hydro didn't want to feel they were in the energy promotion business so they cut out this service which was—

**Hon. Mr. Timbrell:** Let me just say that the service has not been cut out. The service was previously free. It is now on the basis of a \$25 fee.

**Mr. Peterson:** I will just find that response. You're quite right, they are charging for it—apparently a loss proposition.

Briefly, I'd like to make a few remarks about the gas business. Energy conservation can significantly lower future demands for energy. Union Gas is advising large industrial and commercial consumers to seek alternate sources of supply, though accepting new residential and commercial customers. However, relatively little attention is being paid to promoting and implementing conservation measures. Improved insulation and heating practices would conserve considerable gas in residential and commercial buildings and in industrial use which accounts for over 60 per cent of Union's sales volume. It provides large savings as well.

Also, the rate structure of the gas company must be changed so that increased use will mean increased cost and not increased consumption, leading to a decreased cost, as is presently the situation.



The beneficial effects from lower energy consumption will be severely minimized without a massive step-up in research and development expenditures directed toward the development of clean, safe, renewable forms of energy. Present industrial research funds, however, are aimed at the search for new supplies of energy from existing sources with almost no funds earmarked for energy-consumption technology or the development of alternate sources of energy.

Both fossil and nuclear fuels are capital sources. When we have them spent, they are gone. An alternate with greater potential is solar energy. The major part of the energy expansion plan for Ontario in the future is to come from nuclear energy. In view of the world's growing concern with environmental and health safety factors, it is important to evaluate the potential impact of solar energy utilization as an alternate energy source.

Can we afford to invest only in nuclear energy? In the United States, where there is an energy crisis of sizable proportions, the housing industry is gearing for production of homes in 1975 which will require up to 50 per cent less energy through their use of solar energy. Last year the United States announced a \$600 million programme to develop and build homes using solar energy. The Ontario government has made little or no commitment to solar-powered and heated homes.

The Ministry of Energy, as part of the energy management programme is providing \$50 thousand, along with the federal government, to build a single-family home designed to be heated by solar energy. A further \$20 thousand has been provided to design a solar-heat package for a senior citizen project. Construction is to begin next April. This is the extent of the Ontario government's involvement in solar-energy development. The Quebec government plans to build a \$200 thousand windmill to provide electrical power in the Magdalen Islands, supplying energy for a population of 15,000.

Nuclear plants are only 29 per cent efficient. This means that the rest of the heat is released into nearby bodies of water in the form of returned coolant water. This returned water is approximately 20 degrees warmer when returned, which will have adverse effects on the environment and the aquatic life. Two-thirds of all energy from the nuclear plants and half of all energy from fossil-fuel plants is lost. A future community at Nanticoke, built around a generating station, offers possibilities to explore a central community heating system—all heated with hot

water which would otherwise pollute Lake Erie.

In April, an Ontario government team took a two-week tour of Denmark, Germany and Sweden to study means of using heat from nuclear plants. What has been done? What information has been gleaned?

I would like to talk about utilization of garbage as fuel. On the average, garbage has a calorific value of 20 to 50 per cent of that of heating oil. In terms of steam generation, one pound of garbage can generate about 4.5 lb of steam. The European experience with garbage incineration to generate steam suggests that one can develop assured markets for heat from an incinerator. As collection and disposal costs for garbage rise, due in large part to the need for more distant landfill sites, the use of garbage as a secondary or support fuel is increasing. Controlled packaging materials and improved collecting and sorting techniques would add a further impetus to garbage as a fuel source.

Last year the Ontario Energy Board called for a slowdown in Ontario Hydro's rush to build nuclear power stations. The board said it was concerned about Hydro's reliance on a promising but not thoroughly proved nuclear system. This recommendation was ignored by Ontario Hydro. Ontario Hydro wants two-thirds of the province's energy needs supplied by nuclear power within 20 years and is planning to build nine new nuclear power stations by 1993 at a cost of more than \$10 billion. Yet nuclear reactors are still such a question mark that despite years of negotiations, the federal government has been unable to get private companies to insure them.

Radioactive materials such as plutonium, 15 lb of which can produce a home made bomb, will be carried about the country in increased amounts by trucks, rail and air in the future. Some of the radioactive materials contained in the spent fuel discharged from the CANDU reactors are very long-lived.

Plutonium 239 requires about 250,000 years to decay to a negligible level. At present, the spent fuel is stored retrievably in interim surface storage facilities pending decisions on ultimate storage or disposal.

I, too, have many questions which I will address to the minister at a later time, but I would just like to put on the record some experiences with comparable utilities in the United States and what they are doing now. These are extracts from annual reports and I would like to put these on the record, if I may.



Cleveland Electric Illuminating Co.—this is an extract from its annual report.

During 1974 the company continued its energy application programme, which is directed toward achieving a more efficient use of power by customers. Such a programme involves essentially encouraging the growth of power consumption in off-peak periods by residential, commercial and industrial customers in an effort to utilize existing generation and transmission facilities more effectively. Kilowatt hours sales for the year 1974 declined 0.8 per cent.

#### Idaho Power Co.

In view of the substantial decline of economic activity throughout the world and the nation and the possible future effect on Idaho's economy, an intensive study of the company's construction programme for 1975 was made to identify those projects that could be postponed without severely impairing the company's ability to serve its customer load. The outcome of this study resulted in a reduced 1975 construction budget of over \$41 million.

#### The Washington Water Power Co.

Although the average residential customer conserved an estimated three per cent, his net average usage actually increased 190 kw hours over 1973 to 12,857 kw hours. This overall gain, even in the face of conservation, is due to a growing number of customers and an increasing selection of electricity for space heating. In 1974, 23 per cent more residential electric heat insulations were added than in 1973. After 12 full months of conservation practices, the combined electric consumption of commercial and industrial customers increased 1.5 per cent, considerably less than in previous years.

#### Pacific Gas and Electric Co.

Public response to our voluntary energy conservation programme, ordered by the CPUC, has been good. Normally expected 1974 electric use was trimmed by almost 11 per cent and gas was 0.7 per cent below normally expected use. We have promoted energy conservation and we practice it. Company use of gas and electricity has been cut by 30 per cent.

#### Portland General Electric Co.

A 26 per cent reduction in the construction budget was possible because of a carefully revised load forecast which permitted postponement of the completion dates of some planned generating plants

and extension of normal system additions over a longer period of time. Specific action was taken in 1974 when a review of our load forecast indicated a moderate reduction in growth rate from eight to nine per cent annually to about seven per cent annually. This permitted us to reschedule our two Pebble Springs nuclear plants from 1980 to 1982 and from 1982 to 1985, and the Cardi coal plant from 1979 to 1980.

**Hon. Mr. Timbrell:** I'm sorry. What utility was that?

**Mr. Peterson:** The Portland General Electric Co.

The Commonwealth Edison Co. construction budget was reduced \$600 million.

Our five-year construction budget for the years 1975-1979 is \$4.3 billion, down \$600 million from the budget for the 1974-1978 period. Peak load growth is now projected at an average annual rate of 6.5 per cent, compared to our previous estimate of 7.3 per cent.

#### Potomac Electric Co.:

Our peak load in 1974 was five per cent below 1973 and our 1974 sales were 7.7 per cent less than 1973. With the curtailment in customer demand, we have reduced plant construction expenditures for the 1974-1978 period from an original budget of over \$1.5 billion to a current four-year construction budget of \$600 million.

The 1974 sales of 13.29 billion kilowatt-hours compare closely with the 1972 sales of 13.26 billion kilowatt-hours. Although patterns varied, all customer classes effectively reduced energy consumption. Therefore, our best estimate is for the growth in sales and peak load at a five per cent annual rate, significantly below the nine per cent compound growth rates experienced for the decade through 1973. Our plans for 1976 and subsequent years are geared to this five per cent rate of growth.

#### Puget Sound Power and Light:

The wise and efficient use of electricity continues to reflect the company's position on conservation. Our new rates contain energy and peak conservation incentives for all customers. The company is directing much of its effort in ensuring that new business reflects quality space and heating installations. Loads which minimize waste and inefficiency, giving the customer the best value for his energy dollar, are being achieved.

**British Columbia Hydro:**

Sales of kilowatt-hours of electricity in British Columbia by BC Hydro increased only 3.9 per cent over the previous year. This modest increase, in sharp contrast with the 10.7 per cent rate of growth for the year ended March 31, 1974, is the lowest rate of increase since the formation of BC Hydro, reflecting the economic slowdown currently experienced in North America.

Mr. Chairman, I think there is considerable experience with other similar bodies that shows these things can be done with direction from the government, with activity and with a serious commitment; I have yet to see that serious commitment. Having read a great deal of the ministry's information and a great number of the minister's speeches, I would be delighted to see the kind of commitment that I think is going to make this place, this province of ours a good place to live 10 and 20 years from now.

Mr. Chairman: Would the minister like to make any comments in reply to the previous two speakers?

Hon. Mr. Timbrell: Mr. Chairman, the first speaker dwelt at great length on the situation in the United States, particularly research and development in that country. I really don't think that I can answer for the government of the United States.

Here in Canada one of the things I've been stressing in dealing with our sister provinces and with the federal government is the fact that I agree we need to put more into research and development and that the research and development that is going on needs to be better co-ordinated.

When I met with the Minister of Energy, Mines and Resources, a week ago Monday, this was one of the subjects of our discussion. As the members of the committee may know, I've been asking for a meeting of the ministers of energy. The minister indicated that such a meeting would be held. The present expectation is that that meeting will be held some time in early December. I would hope that the question of research and development will be one of the items on that agenda.

I must say—and I'm sorry he's gone back up to the House—that the gentleman who started off the remarks has been given an—

An hon. member: Mr. Burr.

Hon. Mr. Timbrell: Yes, I know who he is. It is for Hansard you want it? All right.

Mr. Burr has been given numerous invitations by my predecessor and myself to come over to the Ministry of Energy, or the staff would come over to him, whatever, to discuss many of his ideas and the material that he gleans from I'm sure what must be a rather extensive variety of scientific or mechanical periodicals. To date, he has not seen fit to take us up on those offers. The offer still stands.

[10:00]

Mr. Peterson: He might be nervous.

Hon. Mr. Timbrell: Oh, I don't think so. He is a former Latin teacher and nothing shakes a Latin teacher, even the ones I had.

On the question of wind energy and solar energy, I acknowledge that the amounts being spent this year are, I suppose, relative to other parts of the provincial budget, rather small. In fact, I think our total budget in the ministry represents one three-thousandth or one four-thousandth of the total provincial budget, but we think we are making a significant beginning. We do feel that a great deal more can be done and should be done by national bodies that are sufficiently better funded than our ministry, such as the National Research Council, and for that matter perhaps even by Atomic Energy Canada if we really got into it, than by the province. We are doing our part. Mention was made of Provident House. Provident House is the first domestic dwelling to be built with total reliance on solar heating this far north in the world. We will, next year, participate in the construction of a 30-unit senior citizens' complex at Aylmer, and while it is a small beginning, it is a beginning and we would hope to do more. We have let a contract for wind research and if the results of this initial study are as positive as we think they will be we will then move to the demonstration project stage in communities in the province.

The member, Mr. Burr, referred to some particular companies, and in particular he referred to Philips. We have been in touch with Philips in recent days and Philips has offered to send the head of the company's solar power division, over to see us and we will probably take him up on that offer. They are very interested in becoming more involved in the solar field in Canada. I personally feel that if we are to do as much with solar power as can be done, then we have to have some of the larger industrial concerns committed to it and interested in it, of course, and Philips has done a fair bit of work in Europe and in Africa and in the Middle East.



They have a number of small solar-powered projects built in Nigeria, Saudi Arabia, France, and some other places—such things as solar-powered beacons, solar-powered lighting for airports and this sort of thing. They also have built their first house in the Black Forest in Germany and they are really getting into the residential field. One of the interesting things with their project as compared to some others is that it involves not only heating but also cooling with their system, whereas some are totally dedicated to meeting heating needs.

The member, Mr. Burr, seems to have taken some of my remarks and presented them as suggesting that solar power is not an alternative. It is an alternative. I just think it would be a little irresponsible to suggest that it is something that is going to happen overnight, that all of our problems can be solved immediately, or that this is again a panacea for our problems. I am just looking at some of my notes on some of his other comments. In effect, what I have been saying all along is that while we feel emphasis should be given to projects like this, and we will continue to give as much emphasis as we can and would press on the federal government and other provinces the need to give emphasis to this area, let's not delude ourselves into thinking that next year, or five years from now, we are going to have the absolute answers, we're not. There is no question that we are going to have to do more about it.

I'm intrigued by Mr. Peterson's comments. I looked at clippings of some of the things he had to say before, during and since the election campaign, and I've read his comments at the Porter commission last week, or two weeks ago I guess it was, when they met in London. There are a few things which have to be said to set the record straight. I won't necessarily take these in order of what you said.

You suggest that the present system expansion programme with which we're involved—that is, up to 1982, the point at which Dr. Porter takes over—has never been reviewed. I wish you would go back and check your records in your caucus and dig out the reference of the former minister, the material submitted by Hydro, the report of the OEB. The Hydro submission went in on Dec. 19, 1973, and the board reported in April or May on the system expansion. I wish you would also look at the 1974 OEB report and the 1975 rate proposal, and consider the fact that the question of system expansion took up a

great deal of the Energy Board's time and great deal, therefore, of their report. I wish you would go back and look at the fact that the board did look in great detail at Hydro's load forecasting techniques, did look therefore at the question of system expansion, and I wish you would dig out the comments of the OEB where they said that the standards employed by Ontario Hydro were good, were commendable, were ones that were reasonable.

You refer to Hydro being out of control. I know that is a very popular phrase; it is banded about by a number of people. Again, I wish you would go back and look at the Power Corporation Act. I wish you would look at the fact that Ontario Hydro has to come to me and to the government for approval of projects under something like 24 or 25 different categories; that, in fact, Hydro cannot commit a project, such as a generating station or a transmission line or a long-term contract, for instance, with the power authority of the State of New York, or a contract with Ontario Paper, without cabinet approval. In fact, the authority is there. Since 1908, the two guiding philosophies have been, first of all, that Hydro must deliver the power at cost. It is, of course, a publicly owned utility. Second, that the day-to-day operation of Hydro would rest in the hands of Hydro and its board, but that Hydro must come to the government for approval of these major projects.

To suggest that Hydro operates in a vacuum, to suggest that Hydro can thumb its nose at government, to suggest that Hydro can somehow ignore popular social and economic concerns, is to ignore the facts.

If you are suggesting in your comments that the government of Ontario should make Hydro a ministry of the government, then we have diametrically opposed views. I do not believe, and for that matter I don't think that any of the reviews that have been made of Ontario Hydro would support the philosophy, that the system can be made any more efficient. In fact, it would probably become less efficient if it were made a ministry of the government.

There was considerable talk about rate structure. I've said repeatedly that this is something that I want to see brought about in my time as Minister of Energy. There is a report being prepared right now, which should be ready in three or four weeks—the end of the year? All right, six weeks then—which deals with 19 alternative rate structures to the present one being employed in Ontario. This report I will refer to the Energy Board



next year for public hearings and recommendations.

It's not as simple as I believed, or as some would believe. For instance, the simplistic approach is to suggest a completely inverted rate structure, and one which I talked about a great deal in my first few months in the ministry. This has been done by Wisconsin. The effect has been not to remove the peak demand, but to move the peak demand from the late afternoon to the morning.

The state of Vermont has begun a process of installing ripple meters, by way of which are using those devices they charge six times as much per kw hour for power used during the peak period as at other times of the day. All of these are being looked at by Hydro, at the insistence of the government, and will be considered publicly to develop a rate structure which has as its primary goal the best conservation results possible.

The member referred to ringing southwestern Ontario with nuclear plants. I don't know that the public is well served by such expressions. The purpose of the Porter Commission is to look at the future need for expansion, the mix of that expansion, to take into account environmental concerns, the very real concerns of the agricultural community, the future need for electricity, where it will be needed, how it should be got there, from what it should be produced.

On the question of oil prices and the oil companies, the member used the expression that this should be brought under political control. Then I think I heard him say later that—perhaps I'm confusing it with another of his remarks—that somehow the OEB should not be involved, and then I thought I heard him say that the OEB should be involved.

There are in Canada today a couple of provinces which already regulate oil prices. The one which is furthest advanced in this area is the province of Nova Scotia, where the prices are regulated by the public utilities board of that province.

I should preface all of this by saying that the Isbister commission is looking into this question, and could well recommend some form of regulation.

[10:15]

My concern stems from the fact that—and this is I think freely admitted by the Nova Scotia authorities—competition, for all intents and purposes, does not exist in the Province of Nova Scotia today. The range of average prices in the Province of Nova Scotia is higher than in the Province of Ontario today.

Last February, when the then Minister of Energy, Mines and Resources of Canada told

the companies under the federal pricing guidelines that they could increase their prices 2.2 cents to recover certain costs, they went before the Public Utilities Board of the Province of Nova Scotia and were given approval for .6 cents rather than the 2.2. The evidence we have seen in Ontario is that due to the competitive forces in Ontario, they recovered, .3, not the 2.2 that the federal minister said they could increase. I guess, again, it comes down to the question of political philosophy.

**Mr. Peterson:** Why did you put a freeze on then, Dennis, if it is looking after itself so well? Why freeze prices?

**Hon. Mr. Timbrell:** There we're talking about the amounts relating to the increases in costs throughout the system. We were talking about, and have been talking about, the amount of increase due to the increase in the cost of crude oil and the inventories of the industry available to Ontario, and what is an appropriate date on which the increases due to the increased cost of crude oil, and federal taxes, should be passed through.

**Mr. Peterson:** Why, in your statement, did you threaten to freeze prices again if people raise their prices too high?

**Hon. Mr. Timbrell:** I have said this in the House and outside many times in the last two or three weeks. It is our feeling that the prices should not be rising more than the amount indicated by the royal commissioner when he completes his inquiry. And an appropriate price increase will be due to the increases in the cost of crude oil, the increase in the cost of financing crude oil inventory and the additional federal tax. Until we have that report and some recommendations which may include some form of regulation—certainly recommendations about pricing or comments on the pricing structures that exist in the province—we don't want them going above that.

**Mr. Peterson:** You have got to see all the things we recommended. You are looking at this structure of oil pricing. You are looking into that. You are looking into solar energy. You are looking into different rate structures—

**Mr. Chairman:** With respect to the members of the committee, I would suggest that there will be ample time for this questioning during the vote by vote discussion.

**Hon. Mr. Timbrell:** Thank you, Mr. Chairman. The member for London Centre raised the question of why so much emphasis on uranium, why Hydro is exploring for

uranium. Well, let me deal with that one first. This comes up later on when we get into the energy corporation vote.

The energy corporation is presently committed to two projects: namely Syncrude and Polar Gas. I indicated that we are not considering any further projects at this time. The two projects that we are involved in will involve the delivery of energy supplies to all sectors of the Ontario economy. When you talk about uranium, the only consumer in Ontario is Ontario Hydro. We feel that if Hydro is to be the ultimate purchaser and the ultimate user, then, since the energy corporation is not in a position at this time to take on any further commitments, they should be the ones to be involved in the exploration programme.

The question of emphasis on uranium: We could go on for hours on the relative production costs of a megawatt-hour of electricity from uranium versus coal. We can talk about the capital cost. We feel that given the supply-demand picture for other fuels, the alternative forms of energy we talk about are not about to appear tomorrow. They will be developed more and more as we go along, but the technology is not here now. You can't put together the kind of system we need now with those methods, so we should go with nuclear.

Regarding the member's comment about the OEB and the capital programme that was reviewed before. The whole question of system expansion was dealt with in the 1974 hearings for 1975 rates; so again I must disagree. I am afraid I must say, with respect, that the member is mistaken. It has been reviewed.

I must also say that in light of several recent developments, including our concerns about the availability of debt capital, the fact is that the growth has tailed off this year and hopefully we can see continued reduction in growth from what we have expected before.

I mentioned in the statement that people from my ministry, and from TEIGA and Hydro, are working on a revised capital programme for 1976 and the years beyond. The Treasurer (Mr. McKeough) mentioned this in his remarks of last week, and we would hope to have something on that to put before the government well before the end of the year.

It is true Ontario does have one of the highest rates of consumption. Again, I mentioned that in my statement. As a country, Canada is second only to the United States in terms of per capita consumption of energy. I suppose this is due as much as anything to the fact that until the last several years it has

been the popular impression in this country that energy was not only plentiful, but was going to continue to be plentiful, and that the prices were so low why worry about it. It is because of that that people built houses with insufficient insulation; this is why we developed our fixation with the big cars and a number of other things. There is no question it is going to have to change, no question.

We have been working with the Ministry of Consumer and Commercial relations on the new building code. We have recommended to that ministry that the insulation standards in that code be those which are presently employed for all electrically-heated homes, which are of the highest order. We have every reason to believe that our recommendation is going to be accepted.

There were comments about the mix of the heavier cars. I suppose if I had my way I'd ban some of them from the roads. I don't have the authority; no province has the authority. That really should be tackled at the national level, just as they have the authority over emission standards and—

**Mr. Peterson:** The provinces license cars.

**Mrs. Gigantes:** Yes, you can say what goes on.

**Hon. Mr. Timbrell:** I haven't got into licensing. I don't really think it is reasonable that it be done province by province. I think if it is going to be done, then it should be done at the national level.

The federal government did indicate in their statement on conservation, I think it was February or March, that they were going to do something about labelling products on the basis of energy use. I suggest that they should be looking at automobiles. I know they are doing research. There is a Dr. Hayden who works for the federal Department of Energy, Mines and Resources, who I know is doing research for them on the relative efficiencies of cars. They have the data and they have the authority to move into that area if they see fit.

**Mr. Peterson:** Why don't you license on the basis of efficiency?

**Hon. Mr. Timbrell:** We have not been able to satisfactorily resolve the problems on the licensing. All I can say is that it is ongoing and there is no final resolution on how to change the system satisfactorily.

**Mr. Wildman:** How about banning government limousines?

**Hon. Mr. Timbrell:** Banning government limousines?

**Mr. Wildman:** Limiting the size of government cars.

**Hon. Mr. Timbrell:** Well, as a matter of fact, it is government policy to, wherever possible, buy smaller vehicles. The Minister of Energy's vehicle is a six cylinder, a small car.

At one point you referred to cars as using 20 per cent of the energy bundle and in another point you said they used \$2.5 billion. Well, \$2.5 billion is half the energy bundle. I don't have the exact figures here. We will get them, I suppose, when we get into that point later on. There is a bit of a discrepancy there.

You made a statement that agricultural land is destroyed. Again, a great deal of work has been done and is still being done; and more will be done by the Ministry of Agriculture and Food at Ridgetown, Kemptville and New Liskeard on this question. Having spent a great portion of my youth on farms, where we had transmission lines across our farm, I don't know that I can accept that as fact. When you consider that a Hydro tower takes about 400 square feet, 20 feet by 20 feet roughly, the land can still be cultivated around it. Cattle can still be grazed around them and pretty well every conceivable agricultural activity can still carry on around the towers.

**Mr. Peterson:** You should tell your ministry that. It is their reference.

**Hon. Mr. Timbrell:** If you want to dig out the reference and give me the proof, then I will find out who said it. But it is not true.

The big concern that has to be addressed by groups like the Porter commission and government as a whole, is the question of passing over prime agricultural land—Class I, II or III land—with transmission lines. There is no question it causes a disruption. But to say that it destroys agricultural land, I really think is going well beyond the facts.

I have already commented on the marketing division. I think you will agree that your initial comment was not exactly correct. The services are still available but for a fee which relates to the actual cost.

There are many other things, I am sure, Mr. Chairman. I have got another two pages of comments to reply to but I am sure they will come out. I just wonder could I get a copy of your prepared statement, since I gave you a copy of mine. I would like to take a look at it overnight.

**Mr. Chairman:** Thank you, Mr. Minister. It is now 10:30 p.m. We will continue the estimates tomorrow after question period. Would the committee be here 10 minutes after the question period? Hopefully, we could form a quorum and begin at that time.

The committee adjourned at 10:30 p.m.



## CONTENTS

---

Thursday, November 13, 1975

Opening statements .....	S-323
Adjournment .....	S-346

## SPEAKERS IN THIS ISSUE

---

Burr, F. A. (Windsor-Riverside NDP)  
Gigantes, E. (Carleton East NDP)  
Norton, K. (Kingston and the Islands PC)  
Peterson, D. (London Centre L)  
Timbrell, Hon. D. R. Energy (Don Mills PC)  
Wildman, B. (Algoma NDP)

### Ministry officials taking part

R. M. Dillon, Deputy Minister of Energy



Government  
Publications

# Legislature of Ontario Debates

**SUPPLY COMMITTEE**

**ESTIMATES, MINISTRY OF ENERGY**

**OFFICIAL REPORT — DAILY EDITION**

**First Session of the Thirtieth Legislature**

**Friday, November 14, 1975**

**Speaker: Honourable Russell Daniel Rowe**

**Clerk: Roderick Lewis, QC**

THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975



## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MGS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.



# LEGISLATURE OF ONTARIO

## SUPPLY COMMITTEE

FRIDAY, NOVEMBER 14, 1975

The committee met at 11:15 a.m.

### ESTIMATES, MINISTRY OF ENERGY (continued)

**Mr. Chairman:** I will call the committee to order and we will begin with comments by the minister.

**Hon. Mr. Timbrell:** Thank you, Mr. Chairman. I want first of all to deal with some of the comments that were made last evening. In spite of Mr. Burr's inferences to the contrary, Ontario is not one of the most windy places in Canada. In competition with nuclear energy, we simply cannot accept the premise that energy from the wind can meet the same load. To replace one nuclear reactor would require wind generators spread over hundreds of square miles of land. For example, to supply power equivalent to the Pickering nuclear station would require blanketing the entire landscape of southwestern Ontario west of a line drawn through Midland, with windmills spaced 30 rotor diameters apart.

**Mr. Burr:** Oh come on.

**Hon. Mr. Timbrell:** We will get into this later. The other problem of course is in the environmental society, some people would even suggest we put the windmills underground.

**Mr. Burr:** What was underground?

**Hon. Mr. Timbrell:** I was trying to make a joke, but—I had suggested at one time, as you alluded as a matter of fact, that if I was to put a methane generator behind your leader's desk we can heat the entire building.

There are a number of points raised—pardon?

**Mr. Burr:** You may have to.

**Hon. Mr. Timbrell:** There were a number of comments made about nuclear concerns—

**Mr. Burr:** Mr. Chairman. Before the minister goes on, what was that ridiculous state-

ment he made about wind generators in western Ontario? What kind of wind turbine, what size?

**Hon. Mr. Timbrell:** I indicated we would get into this when we get into the technology area, but based on the best technology available at the present time for wind generation, the estimate is that if you are to produce power equivalent to Pickering, that that is what you have to do.

**Mr. Burr:** What size?

**Hon. Mr. Timbrell:** What size turbines would there be, Dr. Rowe?

**Dr. Rowe:** Do you want to come to that under the vote?

**Hon. Mr. Timbrell:** I think we probably should. But there is one question Mr. Burr asked to this point; what size turbines will we be talking about?

**Dr. Rowe:** The largest currently available is 100 to 200 kw. Recognize of course that Pickering is continually available and the basis for the analysis is the necessity to make power available whatever the wind conditions would be throughout the entire southwestern Ontario.

**Mr. Reed:** Also recognizing that there is a 100 per cent waste factor at a nuclear plant.

**Hon. Mr. Timbrell:** Pickering is 100 per cent waste.

**Mr. Reed:** Well, hasn't it been said that it takes two megawatts of energy generation to put one in service?

**Mr. Chairman:** Order, please. I think it would be best if we let the minister complete his remarks. I know this is somewhat difficult for Hansard unless they speak through a mike.

**Hon. Mr. Timbrell:** Mr. Chairman, there were some comments made last night about the energy management programme and the allegation was made that there is a lack of

concern for conservation in the province and that our activities are not commensurate with our stated concern. Frankly, I think these comments are unfair.

First of all, our programme is government-wide and it does involve the private sector on an ever-broadening scale.

**Hon. Mr. Timbrell:** There are 14 ministries involved and 70 individual programmes. To our knowledge, this is by far the most advanced energy conservation programme of any government in Canada. Again, we look forward to discussing the details of this when we get into that area.

Now there were also comments made by the member for London Centre (Mr. Peterson) last night about United States utilities. Those comments were quite general. I suggest they were out of context. The economic conditions in the United States are quite different from what they are in Canada right now. There is no doubt that United States utilities are cutting production and they are reducing expenditure. But it is not possible to say how much of this is due to either conservation, to the economic recession, to the fact that many US utilities are near bankruptcy, or to the prices which are much higher—much higher—than they are in Ontario. So the comparisons made with Hydro may not be valid.

I should also point out, and again the hon. member either ignored this or isn't as aware of it as he might be, that Hydro has cut costs. They've cut their capital budget; they've cut their administrative budget. The ministry, TEIGA and Hydro are sitting down to further pare their capital budget. Of course every time we do effect cuts in the capital programme, that in effect does reduce the eventual reserve margin. It reduces the growth in the system and results in less reliable service than what we've had in the past.

**Mr. Chairman:** Thank you, Mr. Minister. We will now discuss this ministry vote by vote. I'll call for discussion on vote 1801. Mr. Reed?

On vote 1801:

**Mr. Reed:** Mr. Chairman, I will let Mr. Burr have the floor.

**Mr. Burr:** I will accede to—

**Mr. Chairman:** Mr. Burr, the committee has been operating on the system that people would indicate to the chair if they wished to ask questions. If you wish to ask questions, certainly. Do you wish to go ahead?

**Mr. Burr:** Well, Mr. Wildman has to leave very shortly. If he could start off.

**Mr. Chairman:** Are you agreeable, Mr. Reed?

**Mr. Reed:** I'll accept that, Mr. Chairman.

**Mr. Wildman:** Thank you, Mr. Chairman, I would like a little guidance first. Are we, on 1801, able to discuss the general administration and programme of the ministry or should we leave specific questions dealing with policy to 1802?

**Mr. Chairman:** I would suggest 1802 for energy policy. That's where it should come. I'll grant you in most estimates we do usually have a very wide-ranging discussion on first vote. But because 1802 is specifically one item on the energy policy programme, I think that would cover it.

**Mr. Wildman:** In that case, I will thank the member for giving up his place to me but reserve my questions for later.

**Mr. Chairman:** Mr. Reed, do you have anything on vote 1801?

**Mr. Reed:** Mr. Chairman, it seems to me the administration of a ministry that is so important at this time should at the very least be setting goals that will make us secure over the next 10-year period. We were shown last night, by slide presentation, that the demand for these non-renewable resources would exceed availability and supply by 1985. We were also shown yesterday that there is a pretty good indication that we will have to allocate gas supplies within two years. If a ministry is going to function and take the bull by the horns and deal with this very grave problem, it would seem to me that it's got to take on goals for the next 10 years to make us self-sufficient in the obvious area of renewable resources.

If I see anything in the minister's statement, it's the obvious absence of any kind of programme or goals which head towards or down that projected road for the next 10 years. I know that it's difficult, and I know that some of the development is going to be costly. But I also know that it's going to require a priority situation and a very definite thrust.

**Hon. Mr. Timbrell:** I think, Mr. Chairman, that is, again, more under vote 1802. But I would say this, that the role of the ministry is, of course, quite clear. It is our function to advise the government on ways and means of ensuring adequate supplies of energy to the people of Ontario. It is because of that func-

tion and responsibility of the ministry that we advised—and the government responded—that the government be involved in the Syncrude project, that the government be involved in the Polar gas project, that we be involved in the research on solar power and wind power. I think, again, to make that statement is really not to take full cognizance of the facts as they are.

I say again that the ministry probably has gone further than any other similar body in the country.

**Mr. Reed:** Based on the kinds of priorities we've seen, if this ministry has gone further than any other ministry in the country, I fear for the other provinces.

**Hon. Mr. Timbrell:** That's a nice generalization; but if you'd care to be a little bit more specific.

**Mr. Reed:** Let's take the \$100 million into Syncrude vis-à-vis \$100,000 into research on renewables.

**Hon. Mr. Timbrell:** What's your point?

**Mr. Reed:** The priorities.

**Hon. Mr. Timbrell:** Our priorities are, first of all, to maintain existing lines of supply, to do as much as we can to assist in the development of new, alternative forms of energy. You saw the slides last night on the Syncrude project—the supply-demand curves and what portion of future supply is hoped to come from the tar sands. It's vitally important that the project continue. While Ontario's share of the project is the smallest of any of the participants, we think it's important that we be involved as the largest consuming province in the country.

**Mr. Burr:** Mr. Chairman, on a point of order. It seems to me it's almost impossible to discuss vote 1 without straying into vote 2. Could we take votes 1 and 2 together?

**Hon. Mr. Timbrell:** The deputy has just passed me a note, and I think it's a very good point that we talk about the investment in Syncrude today, in 1975. The first research into the development of the tar sands was done during the depression, in the 1930s, and we're just starting to see the results today. The GCOS plant has been operating since, what, 1967 or 1968? And now Syncrude is under construction. Shell is considering whether or not they will proceed with a plant or an in situ mining operation. You're talking about very large, very long lead times.

**Mr. Burr:** Mr. Chairman, on my point of order?

**Mr. Chairman:** Yes, you've suggested taking 1801 and 1802 together. I suppose we could do that. I suppose it might be best. My suggestion would be if there's nothing really definite on vote 1801, we could probably carry vote 1801 and have a wide-ranging discussion on vote 1802.

[11:30]

Vote 1801 agreed to.

On vote 1802:

**Mr. Wildman:** Mr. Chairman, in looking at the goals you have set out for the energy management programme, I would say they are laudible. But I would like to have some more information about specific actions that your ministry and the government are taking to lead a reduction in the demand for energy resources in Ontario. It seems to me a lot of this is a matter of attitude.

For a long time Hydro had a better electric programme and so on, and people came to feel, as the minister stated yesterday, that there was lots of energy, lots of energy at low prices and that the need for conservation hasn't really been affected. You pointed out in your annual report that there are different ministries trying to set up programmes for conservation, but I would like to know specifically what is your ministry doing to promote conservation in Ontario, to take the lead in changing those attitudes?

For instance, I couldn't believe the heat of this building when I first came into it this fall. What is being done in those small areas, like the heat levels of government buildings and the lights? Lights seem to be on all day and all night around here. These sorts of things. What advertising programmes are you carrying out to try and promote conservation? And what specific things is the government doing itself to cut down on its use of energy?

**Hon. Mr. Timbrell:** It is a pretty wide-ranging question. First of all, this government is not involved in an advertising programme, but Ontario Hydro is involved in a very extensive advertising programme, totally dedicated to the conservation ethic. It is quite correct that up until, I suppose, mid-1973 Hydro's advertising thrust was to live better electrically; not unlike any other utility in any other province or state.

In 1973 the government, even before the Yom Kippur war and before the rather disastrous effects of that war on world oil prices and other forms of energy, the government recognized the coming problem with energy.



You will recall that my predecessor was appointed in 1973 to be parliamentary assistant to the Premier (Mr. Davis) and his specific responsibility was to prepare a report on the energy situation which resulted in the creation of the Ministry of Energy. In 1973 the government made Hydro change their advertising thrust to the point that the only thing you hear or see from Hydro now has to do with energy conservation.

We did some advertising at the beginning. In 1973 a brochure was fairly widely distributed in the province that dealt with energy conservation. We have not, as a ministry or as a government continued in that. As I said, first because of Hydro and, secondly, because the federal government is involved in a very extensive energy conservation advertising programme with full page ads which you have no doubt seen.

I think the former federal minister even did some radio spots. They also produced some books—"100 Ways to Save Energy"—which had a printing distribution of something like 300,000 copies. They are producing another series of books on furnace maintenance and insulation and proper maintenance and operation of automobiles; that sort of thing. So we don't think we should be duplicating what they are doing. We have put our money into the energy management programme.

A number of ministries of the government are involved in space conditioning projects, space conditioning being an all inclusive term for heating, lighting, ventilation, and so forth.

The Ministry of Education has begun a research project involving two schools in the Waterloo area—I announced the programme on June 12 in Kitchener. They are taking two schools—one school is Ryerson; and one other—both built, as I recall, approximately in 1965 and have installed monitoring equipment in both. They are experimenting, I guess in the Ryerson school, with various types and levels of insulation, changes to the windows—double-glazing versus single-glazing—and so forth. They intend to expand that into the north, don't they, Ian?

**Dr. Rowe:** The next stage would be in next year's programme. They are assessing a number of different proposals from different school boards to determine the potential cost benefits, for example, from simply providing more insulation on the exterior walls of the school, as the minister has described in Waterloo. One of the proposals before us now is to improve the windows and doors in a number of schools in Ottawa.

We believe, by looking at different approaches across the province we can balance the cost benefits from various energy saving methods and then produce a policy which can be transmitted to all the school boards to demonstrate what, for certain investments, the cost benefits would be in their operating budget over the years.

**Hon. Mr. Timbrell:** The Ministry of Colleges and Universities is also involved, through the energy management programme, in space-conditioning projects. Two that come to mind are Carleton University and Trent. If I remember, at Trent it is something in the order of 17 to 20 per cent they have been able to save. At Carleton even with an addition of—what was it, 20 to 25 per cent more space—they cut their energy bill by about 12 per cent. Am I roughly in the ball park?

**Dr. Rowe:** That is approximately right. This is in what we call the freebie stage. This is the same area even in our own government buildings where rather large savings have been obtained.

**Hon. Mr. Timbrell:** That is the next thing. In Ontario, one way or another, we have under the control of the provincial government—what is it, four million or 400 million sq ft of space?

**Dr. Rowe:** Public buildings in the Province of Ontario, this includes government buildings—owned or possessed space—25 million sq ft; rented and so on, totalling 100 million sq ft; plus colleges, universities, correctional institutions, hospitals, schools, and other public buildings for a total of 400 million sq ft.

**Hon. Mr. Timbrell:** To date from the work we have done—when I say we, I mean the ministries affected—indications are that the average savings on the bill—we are talking about \$200 million a year as the cost of space conditioning for those buildings—

**Dr. Rowe:** Approximately 65 cents a sq ft.

**Hon. Mr. Timbrell:** The savings are in the order of 17 per cent. So we are making good progress on that. We have, of course, reduced lighting in government buildings and turned down thermostats, that sort of thing.

**Mr. Wildman:** Excuse me, do you have a maximum thermostat level like 68 degrees Fahrenheit?

**Hon. Mr. Timbrell:** What is MGS?

**Dr. Rowe:** Might I phrase my response in the following way? There are various kinds

of buildings. This building right now would be in a heating mode. There might be another building within 100 yards from here which right now would be in a cooling mode. It is not possible to issue a guideline such as "In the winter operate the building at 68 degrees Fahrenheit."

The recommended guideline which has been offered is that if the building is in a heating mode the temperature should be 68 degrees to 70 degrees maximum. If the building is in a cooling mode, it shouldn't fall below 75-76 degrees Fahrenheit.

Mainly, through the Ministry of Industry and Tourism, we are working with the private sector in two ways. First of all there is the energy bus which has computer facilities on board. They can plug into the electrical system of an industrial operation and analyse or pinpoint areas where savings in the electricity load can be effective. By the end of October, they had visited about 50 plants.

**Mr. Dillon:** Up to 70 now.

**Hon. Mr. Timbrell:** Up to 70 now. Again, they have been able to pinpoint potential average savings of 17 per cent, and with the price of electricity being what it is—and going to be in the years ahead—the companies can see that there is tremendous benefit in investing some capital dollars now to bring about the improvements in their plants, to save them money in the long run. About 2 weeks ago—or maybe it is longer—I spoke to a symposium organized by the biscuit manufacturers association. There was a gentleman there representing General Foods who have probably made more progress and more of a commitment to energy saving than any other industrial concern. He listed, for 20 minutes, item by item, improvements they have been able to make, particularly in the Cobourg plant. He could show, where it had cost them \$10,000 to adjust the ventilation; but they could see savings of \$5,000 a year for the foreseeable future. It certainly made those biscuit manufacturers sit up and take notice. Here was a company—a large company—that had committed itself to energy conservation and was saving money because of it. Through the various offices of industry and tourism around the province, there are people available to sit down with industry. Not everybody needs or wants to have the energy bus. What's the cutoff for the energy bus? Everybody thought over \$25,000?

**Dr. Rowe:** What do you mean by cutoff?

**Hon. Mr. Timbrell:** Well, the size of plant—

**Dr. Rowe:** They sent a questionnaire out to the plants first and they have turned down no request where someone has demonstrated a concern and is needing advice. I might remark, sir, that General Foods which you quoted, came to our offices and received the advice that initiated their own programme. They came last October.

**Hon. Mr. Timbrell:** We are working with Consumer and Commercial Relations on the building code as well, and have recommended the highest possible standards of insulation and double-glazing for new construction. Ontario Home Renewal Plan which is in place in most of the urban centres around the province now, does cover re-insulation as part of that package. We've emphasized to them that it should go along with wiring and plumbing and so forth. In fact, a great deal has been done.

**Mr. Wildman:** You also state in your report that you hope to improve the managing of energy distribution and consumption. This is laudable but I would like to know exactly what that means, how you're going about it and what role rate structures might have in that programme.

**Hon. Mr. Timbrell:** Well, I mentioned last night that there is a study on pricing underway in Hydro right now. I looked this morning at the way I put it and I want to correct what I think is a wrong impression. There are 19 elements of rate making that form this report, which will then go to the OEB for discussion on rate structures; that is underway.

[11:45]

The Energy Board has been making modifications to rate structures for instance, the recent Consumers Gas rate decision. Correct me, if I am wrong, Mr. Jackson—they evened out the rates across their entire franchise area and ordered the company, when making contracts with large industrial users, to do it within approved ranges. Am I correct?

**Mr. MacOdrum:** Previously large industrial contracts were negotiated within a range of rates approved by the Ontario Energy Board. In the recent phase 2 decision on the Consumers Gas case it required that industrial contracts be set at rates to be specified by the board. The range rate concept has been dropped.

**Hon. Mr. Timbrell:** So there are improvements being made in the rate structures. And the body of the Hydro rates.



**Mr. Wildman:** Okay. Besides the Hydro what else are you doing, in gasoline and oil, as you say, to improve the management, distribution and consumption in the province?

Added to that I would like to know what plans, if any, the government has to try to equalize the prices of gasoline and oil between the north and the south considering the high prices paid already by small communities throughout the north, sometimes even right next to larger communities which are paying prices comparable in some cases to those in the south? What is being done to improve the situation. How might that affect your managing of energy, distribution and consumption?

**Hon. Mr. Timbrell:** First of all, as you know, there is the bill now before the House on allocation. That is to ensure that as and when shortages occur there will be an orderly spreading of the shortage. All right? The question of petroleum product pricing is before the royal commission and the royal commission has been asked specifically to investigate and to comment on the price differentials. You point out quite rightly that there are places in the north where the prices are comparable to those in Metropolitan Toronto. I can take you to my constituency of Don Mills, for instance, and we can buy a gallon of gas for as little as 67 cents or 68.9 or we can pay as much as 81.9 cents. A few weekends ago I travelled to western Ontario. I filled up in Don Mills at 85.9 cents for gasoline and I filled up again two days later in Stratford—

**Mr. Chairman:** Great area.

**Hon. Mr. Timbrell:** —and paid 74.9 cents for the same kind of gas from the same company.

**Mr. Reid:** Good member there.

**Mr. Wildman:** Do you view raising rates as a method of conservation or is that not—

**Hon. Mr. Timbrell:** By raising rates do you mean rate structure or prices?

**Mr. Wildman:** Increasing rates which will increase retail prices—is that a method you would accept as a method of conservation?

**Hon. Mr. Timbrell:** I don't personally think that is the ultimate answer. It is the policy of the government of Canada which does have control over the prices of oil and gas in interprovincial trade. Whether I accept it as the ultimate answer—I get a hell of an argument from most of my staff whenever

we get into this subject—that is the federal policy and it is going to continue, so the federal people tell us, to force the prices up to world levels.

**Mr. Wildman:** Although you stated and I accept that there are towns in the north which have comparable prices to those in the south—

**Hon. Mr. Timbrell:** No, you stated and I accepted.

**Mr. Wildman:** Okay. At any rate there are also places in the north where prices are extremely high.

**Hon. Mr. Timbrell:** This is what the commission has been asked specifically to look into. As you probably know, some of the staff of the commission have made some preliminary visits to a number of communities in the north and the commissioner will be holding public hearings in the north. I don't think we have the specific locations yet. He will be commenting on that to the government early in the new year.

**Mr. Wildman:** If I might ask one more question. When you mentioned the vast range of differences in the gasoline prices, even in one area, a part of that might be due to the fact that there seems to be a concerted effort by the oil industry today towards vertical integration of the industry, that is controlling retail outlets as well as exploration, production and so on. What role, if any, does your ministry have in the investigation of that. And what attitude does the government have toward that kind of programme by the oil industry which seems to be endangering small business in the oil area?

**Hon. Mr. Timbrell:** As I indicated to your colleague from Etobicoke (Mr. Philip) last Friday, or two Fridays ago, in answer to a question from him, we met with the Ontario Retail Gas Association on Wednesday of this week—the Car Wash Association's representatives were also in and met with representatives of my ministry. This basically is a matter for Consumer and Commercial Relations in terms of franchise legislation and guidelines and that sort of thing.

My first concern, obviously, has to be the consumer. My second concern, then, is the retailer. I, as a Conservative believe we must keep the small businessman in business. I think some of the suggestions put forward, by ORGA anyway, have the possibility of increasing retail prices—not keeping them at



the levels now—due to price wars and that sort of thing.

They have some very serious problems. I spent three hours last Saturday with two of the dealers in my own community of Don Mills—they opened up their books to me and showed me their gallonage, their markup, and so forth. They've got some real problems—and they are not small operations. The commissioner will get into these areas before he's finished and reports in February.

**Mr. Wildman:** Then, are you waiting for his report? I'm interested in your attitude—

**Hon. Mr. Timbrell:** I've already told you my attitude.

**Mr. Wildman:** Yes, right. You want to preserve the small businessman and you want to help the consumer, which I agree with certainly—but what effect will this have other than on the consumer and small businessman? What effect might vertical integration have on the distribution of energy in this province? Do you think it would have an adverse effect or would it affect it at all?

**Hon. Mr. Timbrell:** Probably not on distribution—the product is going to go where the markets are. Until we find out what the royal commission is going to come up with it's difficult to say whether ultimately it will or will not be in the best interests of the consumer. I have mixed feelings about it.

**Mr. Wildman:** I'm trying to find out how it might affect a programme by the government to try to encourage conservation. Maybe I'm incorrect, but it doesn't seem to me that the oil industry is really pushing for the kind of conservation that they might—with retail outlets. There are some ad programmes, some commercials on television, and so on, but they don't really seem to be pushing for conservation in the way that they might be. I'm wondering what affect that might have.

**Hon. Mr. Timbrell:** That's ultimately the responsibility of government—to find ways to effect conservation. They're in the business to sell petroleum products; we're in the business to make sure that the products are there as needed, but also to get through to every single consumer in the province and in the country the fact that they're using too much.

**Mr. Wildman:** But you would still leave it mostly to the federal government?

**Hon. Mr. Timbrell:** The advertising, yes—we don't think there's any point in a duplica-

tion of effort in the advertising field. It's very expensive, and we would sooner put our money into the energy management programme which no other province that I know of has done to the extent that we have. We have 70 projects and more will come.

**Mr. Chairman:** For the information of the committee, I will read the list of names I have, so you will know in what order to speak: Cunningham, J. Reed, Ruston, Newman, McCague. Mr. Cunningham.

**Mr. E. Cunningham:** Thank you. For the record and for clarification with Hansard, may I ask Mr. Wildman: was that word "laudable" or a lot of bull?

**Mr. Wildman:** You can interpret it whatever way you like. I said "laudable", but—

**Mr. E. Cunningham:** I see. I wanted to get that clear. Before I start, I would like to commend the hon. minister, especially on this energy bus thing. I heard about it yesterday. I was not aware of its activities. One thing I did note in reading the report or at least your remarks, you say "potential savings" there. Are these in fact being realized?

**Hon. Mr. Timbrell:** Many of the plants have already begun to "retro it", to use that expression.

**Mr. E. Cunningham:** Very good. I have some general remarks that I would like to make at this time in the context of this vote. They are in response, basically, to the minister's statement yesterday, his report, and those of his deputy minister, Dr. Dillon. I would like to say at the outset—

**Mr. Dillon:** I am not a doctor.

**Mr. E. Cunningham:** I am sorry. You must be the only one here who is not—

**Hon. Mr. Timbrell:** I thought there were two of us.

**Mr. E. Cunningham:** —or the only one here that doesn't think he is. I was a little disappointed at the general lack of solutions as it would relate to the conservation of energy. Specifically, I would like to make reference to about seven or eight things I am quite seriously concerned about as they would relate to conservation.

First would be the use of solid waste as a method of fuel and as a very very significant method of getting rid of what is becoming apparent as a very real problem; disposing of solid waste. It is my understanding, and I am sure your experts would agree, that this par-

ticular method of fuel is at least 25 to 50 per cent as efficient as oil. I think it's something that the ministry would do well to consider in the future.

Another thing that is very rarely mentioned is the use of heat pumps. I think that there should be a financial incentive, possibly through the Minister of Housing, to encourage heat pumps to be utilized in houses today. I am not sure if you are aware of the concept. I think it requires, if I am correct, one-seventh the amount of energy to heat or cool the average home by taking the heat or the cold air out of the atmosphere, as it is required.

Another point that I would make as an environmentalist, and one that would like to see some safety on the highways as well, is an immediate reduction of the speed limit to 55 or at least 60 miles per hour. Further to that, I would say that we should seriously consider the removal of sales tax on this insulation material you speak of and complement the federal incentive as it would relate to—

**Hon. Mr. Timbrell:** We have.

**Mr. E. Cunningham:** You have done that already?

**Hon. Mr. Timbrell:** We have complemented it.

**Mr. E. Cunningham:** Would you consider removing it in its entirety?

**Hon. Mr. Timbrell:** That question should properly go to the Treasurer. I think, generally, I would say that I support you.

**Mr. Burr:** That's a recommendation that would be helpful to the Treasurer.

**Mr. E. Cunningham:** Would you push that? I am sure it would help to reduce the cost of housing and provide a real incentive there.

**Hon. Mr. Timbrell:** What's the average cost of insulating a house?

**Dr. Rowe:** \$200 in material. You are talking about \$14.

**Hon. Mr. Timbrell:** It would reduce the cost of a house by \$10.

**Mr. E. Cunningham:** Well, it all adds up. The other thing I think Mr. Peterson touched on very very briefly was the registration of cars by weight rather than cylinders. It is my understanding that Ontario is still the only province in Canada that registers motor vehicles by cylinder rather than weight. I

think it is time that we re-evaluate our perspective in that regard.

One of the most intelligent reports that I have had the privilege of reading since I have become a member is one that I recently received from the Minister of Labour, Bette Stephenson. It is a report that relates to the rotation of work hours. I think this is an all-inclusive and very comprehensive report, that to be effected will require a great deal of assistance from a number of portfolios, yours included. As a commuter, on most occasions, I would think that we could do a lot to conserve—

[12:00]

**Hon. Mr. Timbrell:** I hope you take the GO train.

**Mr. E. Cunningham:** I am afraid I don't, because we haven't got the GO train in my area yet, although it has been promised. I am waiting with a great deal of anticipation there. I know there are only 2,500 people in Waterdown, but we shall wait. I will be glad to use it.

**Hon. Mr. Timbrell:** Do you come in by the QE?

**Mr. E. Cunningham:** Oh yes.

**Hon. Mr. Timbrell:** Passing GO stations on the way?

**Mr. E. Cunningham:** By the time I get home, Mr. Minister, sometimes the GO train isn't functioning. I would hope that we could consider that report with a great deal of respect, Mr. Minister. I think that the rotation of work hours would do a lot to reduce the amount of consumption of gasoline and at the same time, make government facilities especially more available to the general public and reduce traffic.

Another thing that I am quite concerned about Mr. Peterson touched on it very briefly yesterday—is the ban of non-returnables. It is something I think this government should consider. I know that Mr. Kerr has talked on this in great depth recently. I think that the time has come where we have to face our obligations and recognize that this recycling kick is perpetrated by some of the major bottlers and can companies as nothing less than a public relations gimmick. I think the time has come that we address ourselves to that.

On the subject of Hydro: One of the problems with Hydro, as I see it, would be the so-called ad hoc approach to its planning growth

and, of course, rates. It was mentioned yesterday that in the next year, we anticipate yet another increase of somewhere in the area of 25 per cent and 19 per cent for the year after, if I am correct. Clearly, Mr. Minister, this is a very, very expensive trend and I think it is contrary to fairness, it is contrary to the federal guideline and it certainly doesn't help our competitive edge as it would relate to industries south of the border.

It would be my hope, in the light of what appears to be a very very high propensity to consume by Canadians in the area of energy, that we become more conservation oriented and at the same time, the operations of Hydro become a little more efficient.

Mr. Dillon's charts, which we saw yesterday, were referred to by Mr. Peterson as "dismal". I don't think this reflected on the method in which the charts were constructed, but rather the prospect for the future. I have to agree. I am genuinely alarmed to see that our energy reserves are dwindling as rapidly as they are. At the same time, I am equally surprised that we haven't seen more positive action by the government in the area of conservation.

You indicated yesterday, Mr. Minister, that your portfolio was policy oriented. With respect, I would say the time has come, perhaps it is overdue, that you become action oriented. I commend you on your energy bus activity. I think it is a good programme, but I think the time has come where we have to get into other very very definite clear finite methods of saving energy.

In conclusion, Mr. Minister, I would say that both you and your deputy minister indicate what I am sure is a very, very sincere concern for our future. But it is apparent to me that there are very few incentives for conservation. One of the lessons I have learned in my brief period as a member is that you have to offer incentives to people and they have to be real and quite clearly explained.

You, Mr. Minister, on page 21 of your address yesterday, indicated that Canada—and I am sure Ontario is no exception—Canada uses two times as much energy as western Europe on a per capita basis, and five times that of the world average. I think that happens to be a reflection on how easy we have had it in this country and how we have to readjust our method of living and our values.

In my view, we have a real opportunity here in the Province of Ontario to demonstrate some real leadership, especially in the

area of energy conservation. It would be my hope that you will take these comments in the spirit intended and we will get on with the job of doing it, because I think the job has to be done.

Hon. Mr. Timbrell: Mr. Chairman, I would like Dr. Rowe to respond to four of the points on use of solid waste as a fuel, heat pumps, speed limits, and work hours. I may have some extra comments after that.

Dr. Rowe: Mr. Cunningham, I am very pleased that your comments in essence are supportive of the policies of the Minister as realized through a number of projects that our ministry and other ministries have been carrying out under the banner of the energy management programme.

You are probably aware that the Ministry of the Environment's Resource Recovery Branch and their Waste Management Advisory Board, have a \$20 million-a-year programme aimed at reducing solid waste volumes and recovering materials and energy resources from solid waste. I am sure you are also aware that with the "Watts from Waste" project, contracts have been signed within the last couple of weeks. This is expected to be a significant contribution in this direction.

Now, we are supporting the Ministry of the Environment in a couple of ways through the energy management programme. One is by providing an input on the energy situation and waste energy utilization technology, specifically this is one of the programmes operated with the Ministry of the Environment, called the Energy Analysis of Resource Recovery. Its purpose is to promote the conservation ethic by undertaking an objective study to identify and quantify the energy valuation of materials along with major product components of solid waste, and to undertake an energy analysis of the reclamation, recycling, and conversion processes. The objectives of this study are both to demonstrate and to publicize the potential energy conservation aspects of resource recovery. So, I am pleased that you would support that programme.

One of the very basic problems that we have identified in such matters is how much energy has to be expended in order to recover energy. So, we have also initiated a very basic study which we call Net Energy Analysis. We have taken a lead in this, and the federal government has taken quite an interest in this too; it is totally understanding the energy that goes into a process, and the



energy that can be taken off and recovered all the way through.

I would like to turn now to heat pumps. Ontario Hydro have for some ten years now maintained not just a monitoring, but a technical programme of attempting to apply heat pumps to the particular and environmentally peculiar situation of Ontario. I say "environmentally peculiar" for the following reason. It is one of the unfortunate results of the application of the laws of physics that as the source temperature goes down—and in the case of heat pumps it is air from which we extract heat—and discharge it through the heat pump process into the house—the efficiency of the heat pump goes down.

About a year ago, the current off-the-shelf, heat-pump-coefficient of performance dropped to unity when the outside air temperature was around 40 degrees Fahrenheit. With this year's technology, the coefficient of performance is around unity when the outside air temperature is about 35 degrees Fahrenheit. Now, what does this mean for Ontario Hydro?

If the outside air temperature is cold, such as a day in January, there is no efficiency benefit of a heat pump over that of conventional resistance heating. So the real advantage to a heat pump is obtained at a time when Ontario Hydro is not having to pull out all the stops on its electrical generating system. Of course, the heat pump in the summer is an attractive benefit, but the refrigeration cycle from that benefit puts an additional load on Ontario Hydro.

But Ontario Hydro's programme is one of trying to see that this source temperature is brought lower and lower so that the potential for the application of heat pumps to our particular environment, here in Ontario, might be properly realized.

Let me turn now to the issue of speed limits. It is unfortunate that the minister in Ottawa has used certain phrases such as: "There is a 30 per cent reduction obtained in fuel usage for automobiles if 55 mile per hour speed limits were applied."

We must recognize, of course, that the 70 mile per hour speed limit which prevails in this province applies to only 655 miles of freeways. We have 80,000 miles of paved roads. In our calculations, the potential saving, when you recognize the traffic flow patterns and the use of the freeways, turns out to be about two per cent.

We cannot, of course, minimize the contribution of even two per cent because, as Mr. Peterson pointed out yesterday, the

transportation sector uses a very large part of the total energy which comes into this province. I must, in fairness to you, sir, try to put into perspective what the real savings might be expected to be if we would reduce the 70 mile per hour limit on the freeways, say, to 60 miles per hour and the 60 on arterial roads to 55 miles per hour. What was the other issue, you wished me to address?

**Hon. Mr. Timbrell:** Work hours.

**Dr. Rowe:** Work hours. I hope you have seen the report put out by the Ministry of Transportation and Communications on the staggered hours for Queen's Park.

This issue of the potential energy savings with respect to staggering hours is certainly laudable. If you look at the staggered hours in Queen's Park, the Toronto Transit Commission has reported back to us that staggering in the Queen's Park area alone has alleviated some of the congestion for the Transit Commission.

The Energy Board has turned up the same kind of problem and the same kind of situation in industry. It has pointed out that there are certain potential savings in peak Hydro demand if, in some fashion, it would be possible to move the work times of workers off the peak. But the peak in the Hydro system is rather wide and the labour interests, it is reported to us, oppose the moving of work times of the workers to off-peak hours.

It is a problem, I think, which will eventually be resolved as the notion of conservation and the ethic which has to be developed along with it is driven home to the people. I think it is something we have to develop; it's almost a cultural and ethical thing.

**Hon. Mr. Timbrell:** Could I just pick up on that last point and say that in several meetings which we've had since I became minister with AMPCO, the Association of Major Power Consumers in Ontario, I have specifically raised the question first of all, of grater use of interruptible power—putting the option in their contracts. Of course, of necessity that would involve some changes in their operations.

For instance, take Ontario Paper Co. at Thorold. It might, in that case, mean shifting the use of some of their shredders from the peak period to later in the day when they might otherwise be doing routine maintenance, and the shredders would be shut down and they would be cleaning up, sweeping up and so forth. You can't do that over-

night because you do have to consider, as I think Dr. Rowe was saying, that this would involve labour-management relations and it would have to be a joint effort of both parties.

The member referred to the fact that we are a policy ministry, which is quite true, and he suggested it's time for action. I would say that the extent of our energy management programme does represent action. Again, I challenge anyone to find anywhere in the country a programme further advanced than ours. The 70 programmes which form the energy management programme are activities of the government.

[12:15]

**Mr. E. Cunningham:** Just a few comments on the points made, specifically your own. I commend you for your job generally, but to me the fact that Ontario is leading the way that is just immaterial. I think our job here is for the people of Ontario. It could be just a reflection on the inefficiency of some of the other provinces. Certainly, some of the smaller provinces, like the Maritimes, don't have the financial resource to conduct the activities that Ontario is actively involved in. Our concern here is for the people of Ontario.

**Hon. Mr. Timbrell:** Indeed, and the fact that we are leading the way shows that we are concerned about the needs of the people of Ontario, that we are the largest—

**Mr. E. Cunningham:** Quite obviously, Mr. Minister, the job is not being done in the most efficient manner or we wouldn't be in the mess we're in, with respect. I'd like to comment briefly on a couple of these points by—

**Hon. Mr. Timbrell:** Just a minute. You said Ontario is in a mess. We showed you last night, and you've commented upon, the information on supply and demand of all forms of energy in the country. There's no question that the country is facing a crisis and that the country is going to have to face up to the need to conserve energy into changed lifestyles perhaps, or at least to modify them to change expectations, to change attitudes.

I would say to you again—and you really haven't told me anything to refute this—that Ontario has made more progress and is more committed to this than any other jurisdiction in the country.

**Mr. E. Cunningham:** That may be the case, but as probably the major user of power in

the country I think that our role in this regard is integral to national success.

**Hon. Mr. Timbrell:** I have been asking for a meeting of Ministers of Energy of the provinces and the Dominion for four months, to talk about these issues. The last minister wouldn't even see me.

**Mr. E. Cunningham:** If I could speak very briefly on the four points made by Dr. Rowe. Your point on non-returnables is a very good one, but my thrust on this, very briefly, would be one of eliminating the problem at the source. Here again, I find it to be a matter of attitude, and that is, we shouldn't be encouraging people necessarily to recycle things like non-returnable pop bottles and cans which are, in fact, very energy intensive. We should be providing the people of Ontario with returnable containers. Obviously the voluntary approach hasn't been working. I think the people of Ontario have been reluctant to participate in this.

One further problem would relate to the marketability of these by-products. I'm told, with a fair bit of authority, I hope, that all too often there is no market for these products once they have, in fact, been collected. This disturbs me. In debate on previous estimates, as it relates to Industry and Tourism, I think some points were made about establishing a marketing board for these things, and I think that might be something we should consider.

Your point on heat pumps is well taken, but the unfortunate thing is that I think they would be effective between April and October, and certainly with the weather we've been having the first couple of weeks of November I'm sure that they would be beneficial to us. Of course, any saving at this point in time would be beneficial to the people of Ontario and Canada as users of energy. Surely, the province could get involved with some of the major companies that are involved in marketing these things—specifically, say, Westinghouse—and indicate the advantages of this unit. I would say that less than one-tenth of one per cent of the population of Ontario would even realize what a heat pump is, or appreciate the advantages inherent in it.

The point on speed limits, again I question what is possibly the attitude of the government here by saying that it would reduce consumption by only two per cent. That's analogous to the \$10 or \$15 that we might save on the price of a house. It all adds up.

**Hon. Mr. Timbrell:** Nobody is arguing that that's a point against lowering speed limits. I think what the good doctor was trying to say is that, again, when people are batting about figures of 30 per cent and so forth, they unconsciously are misleading the public. I think Dr. Rowe might want to say more about that.

**Mr. E. Cunningham:** As a Liberal, the last thing we would want to do would be to mislead the public.

**Hon. Mr. Timbrell:** I have noticed that.

**Mr. E. Cunningham:** The final point on work hours—we only work here six months a year; that's quite a stagger.

**Hon. Mr. Timbrell:** I beg your pardon? Who only works here six months a year?

**Mr. E. Cunningham:** I am talking about the members now. I think they are quite staggered as they are.

**Hon. Mr. Timbrell:** Well I hope you are going to turn back \$11,250 then?

**Mr. E. Cunningham:** Possibly we should be here a little more often. We could get around some of these problems. Not to be glib though, that this is something, Mr. Minister, in all seriousness—

**Mr. Riddell:** We will have to caucus.

**Mr. E. Cunningham:** —we should consider. Here is an opportunity, possibly, for government to lead the way again. It would be an example that private enterprise, I am sure, would be willing to follow once it was established that it was effective.

**Hon. Mr. Timbrell:** Just on that point you should know that the rules around here are such that the civil service can come in—except for some categories—as early as 7 a.m. I know when I was a parliamentary assistant, I was in at 7 o'clock and there were already staff in the office.

**Mr. P. F. Cunningham:** Seven is the earliest.

**Hon. Mr. Timbrell:** Seven is the earliest? Then the earliest they can leave is 3 or 3:30? So the rules are such as to allow the civil service a wide range of choice.

**Mr. E. Cunningham:** Very good.

**Mr. Chairman:** Did you want to comment, Dr. Rowe?

**Dr. Rowe:** Not unless Mr. Cunningham has any very specific questions he would like to address.

**Hon. Mr. Timbrell:** I think the deputy might want to comment on some of your remarks in supply.

**Mr. Dillon:** Mr. Chairman, I think there were two references to the dismal picture which was contained in the slides that we reviewed last night. I would like to put this in context. First of all, it is not a dismal picture. It is just a picture of nature as it is. I would just go back and remind you that prior to the 19th century, man derived most of his fuel from wood. This is a renewable resource, but in fact man ran out of it. It was replaced by coal which dominated the 19th century and the industrial revolution. Coal in turn was displaced by oil and gas.

**Mr. B. Newman:** We are not running out of coal now, don't say that.

**Mr. Dillon:** We are not running out of coal. I haven't said that. The point is that these are non-renewable resources. Each has been coming along in its own turn. A comment was made last night that uranium, which we are now seriously beginning to utilize, was a non-renewable resource. This is true, but this does not mean that we shouldn't make an effort to use it as it comes along. Undoubtedly, if man progresses on this planet as he has, these non-renewable resources are going to be used up. We undoubtedly at that time will, as Mr. Burr says, return to other sources which emanate from the sun, as to coal and all the rest of these things.

The picture was presented yesterday to the committee to try to put the whole thing in context. We certainly are, in Canada, running short of easy-to-get-at oil and gas. But there are other supplies which are further away and will be more expensive, but we will bring them to market in their turn. It really is not a crisis situation; it is just one that we are beginning to get a better handle on as we go along. We are facing up to the fact that during the petroleum age, particularly, we have taken for granted the fact that this stuff was around in unlimited quantities. It simply is not.

**Hon. Mr. Timbrell:** There was one other point, Mr. Chairman, I wanted to add. I don't think Dr. Rowe touched on it. That is on the question of solid waste. There is a conversion programme on now to convert one of the units at Lakeview, at the Lakeview generating station, which when completed will use 1,000 tons of the 8,000 tons of waste generated in Metro per day. Again, work is proceeding.

**Mr. E. Cunningham:** I wonder if we could try this in my constituency, where they are



trying to put in a sanitary landfill site on good farm land?

**Hon. Mr. Timbrell:** If your local council is interested, I think they should approach Hydro. Or if they are interested in district heating as another alternative to electricity generation, the municipalities in that area could get together and investigate such a project.

**Mr. Reid:** In reference to the previous comment about "watts from waste," my own riding is currently considering the programme of the Ministry of the Environment regarding the utilization of garbage. "Watts from waste" was brought up, and perhaps it's fair to point out that one of its negative aspects at this point is the cost of transportation of the product to a place where it can be consumed. We think the idea is great.

**Hon. Mr. Timbrell:** As a fuel, the cost per ton is about \$8, I believe.

**Dr. Rowe:** I think it's something in that order, yes.

**Hon. Mr. Timbrell:** That's in the Lakeview project. I don't know what it would be in your area.

**Mr. Reid:** I would like to make a few comments regarding this old saw of mine about renewable resources, because I feel renewable resources are the way of the future.

We've heard a comment about the work that has been done, which really doesn't amount to very much in Ontario, in the development of renewable resources. But there has been no comment about the utilization of renewable resources which we have at our disposal and which have been discarded by government—in this case I'm referring to, they have been discarded by Ontario Hydro—but have never been made available for development or redevelopment by private enterprise. I'm referring to the smaller hydraulic stations, or power sites if you like, that exist all around the Province of Ontario.

I know Ontario Hydro has said repeatedly that it is not economically feasible for them, or at least it hasn't been up until the present time, to redevelop these sites because of the cost, especially the cost of manning the lower-powered stations. I believe stations now have been closed, if my memory serves me correctly, up to about 6,000 or 7,000 horsepower. It also has been pointed out to me by people within Ontario Hydro that the technology is now available to run these

stations on a remote basis, so some of the original arguments in favour of not reopening these renewable resource areas have been overcome by improvements in technology.

I particularly want to comment on the fact that there are smaller power sites, far too small for Ontario Hydro ever to consider, that are simply not being made available to the private sector. A good many of them have been turned over as recreation sites, conservation areas and so on, but there is some experience now on record that when attempts are made to redevelop these sites we run into great interference from the Ministry of Natural Resources.

This may sound trite in the great provincial scheme, but I do know that there are a great many of these sites available across southern Ontario. I wrote to the minister as a private citizen myself last winter and explained to him that if the greenhouse business was heated by power generated at these sites, he wouldn't have nearly the energy problem in agriculture. When I received my reply back from the minister, it didn't even contain a comment on that small extrapolation.

**Mr. Riddell:** What else is new, Julian?

**Hon. Mr. Timbrell:** We've always got answers.

**Mr. Reed:** I would like to put this forward to the ministry in terms of its policy and beg the ministry to consider this aspect of renewable resource, where we do have the technology, where it's very sophisticated, where it was quite sophisticated as far back as 1910, to make the roads smoother for private individuals who want to develop these small powers.

**Mr. Scott:** Last night at the board of commissioners hearing it was mentioned that Ontario Hydro had filed an inventory of the undeveloped Hydro sites with the OEB last year. I forgot the number of sites on the inventory, but it was stated by Dr. Stevenson that the cost of developing these sites would come to about \$1,000 a kw. I know the inventory is on file with Hydro and the board. I haven't seen it myself, but it might be useful to have a look at it.

**Hon. Mr. Timbrell:** I think Andy Frame could perhaps comment a little further on it.

**Mr. Frame:** Mr. Minister, Mr. Reed mentioned that some Ontario Hydro sites up to 57,000 hp had—

**Mr. Reed:** No, I mentioned up to 7,000 hp.

**Mr. Frame:** Seven thousand—it is true that Ontario Hydro has closed certain hydraulic stations. I think you can see some examples on the Niagara River, but this does not mean that the full potential of the river is not being used. The water, of course, is being used at other stations. I think there are two stations with very old equipment, stations that Hydro took over from private power companies back in the 1910-1912 era, which have been closed. The cost of maintenance of those stations is so high that they are not worth using.

The water being diverted from the Niagara River is now being put through the Adam Beck station—Adam Beck No. 1 and Adam Beck No. 2. Sometimes it is being put into the pump storage plan, which is in operation now, so that the full potential of the river is being used. That's the story on developed areas.

**Mr. Reed:** Your point is very well taken, sir. Let's deal with Wasdell Falls, or let's deal with Fenelon Falls, or let's deal with Bala 1 and Bala 2, let's deal with Thunder Bay—those that are not on the Niagara River—and let's deal with the smaller power sites that are, admittedly, too small for Ontario Hydro to develop. I am not questioning that. What I am questioning is the fact that Ontario Hydro is not making these sites available for private enterprise development. It's not the least bit concerned about it. There are also all kinds of other sites that Ontario Hydro has never developed, never touched; small private installations, where the dams are now in a state of deterioration, that could be redeveloped. The point I tried to make to the minister is that when a person starts this job the first thing he's got is an enforcement officer from the Ministry of Natural Resources down his neck saying he can't do it.

**Mr. Frame:** I believe at this committee meeting last year there was considerable discussion regarding the Arnprior project. I think this is a typical example of the problem of trying to develop hydraulic sites in areas which are relatively built up. Some of the hydraulic sites in southern Ontario might be developed, but it would require considerable flooding of the rivers and damage to agricultural land, which, as in the Arnprior situation, would be opposed very strongly by the surrounding area.

**Mr. Reed:** I am talking about sites that have been developed in the past and that could be redeveloped.

**Mr. Frame:** That's the number one problem. Mr. Scott mentioned a few minutes ago that Ontario Hydro had done an inventory of the hydraulic sites available in the province and said the average cost of developing them was \$1,000 per kw. You should remember that the Pickering generating station now in operation was developed at a capital cost of \$375 per kw. That has doubled. Pickering B will probably be double Pickering A, in general terms—\$750—but still less than \$1,000 for these remote stations. As well as generating facilities—you mentioned Wasdell Falls—once the hydraulic facility is developed you have to build a transmission line to get the power out, and transmission line costs go on top of that. The problems of getting public acceptance of transmission line corridors, I think you are well familiar with that problem.

**Hon. Mr. Timbrell:** Andy, is it not true that some of these old dams no longer exist, that some—

**Mr. Reed:** Some of them have been blown out by Ontario Hydro.

**Mr. Frame:** I'm not sure, particularly, which ones could be—

**Hon. Mr. Timbrell:** Even on some of the smaller, older sites, there would be the problem of having to rebuild, reflood, and that sort of thing—on some of the old locations.

**Mr. Reed:** Yes, I'm sure that is the case, Mr. Minister, but I'm trying to make a case for those sites that Ontario Hydro knows it can't economically redevelop—to make them available as surplus equipment, or whatever, to private enterprise.

There was a generating plant pulled out in Streetsville two months ago. It's been out of service for about three or four years. Across the Credit River, about half a mile downstream, there is a dam being torn down right now; one with a very small capacity—250 hp. That doesn't mean anything to Ontario Hydro, but to a greenhouse operator it does mean something; and the potential is there, the fuel cost is zero.

I know from my own personal experience that private enterprise generally can develop these sites for 25 per cent the cost of a government operation. In my own case, I'm putting one in for under \$100 per kw.

**Hon. Mr. Timbrell:** There is nothing I know of in the law that prevents private enterprise from developing power for themselves.

**Mr. Reed:** I submit with all due respect there is in the policies that are in effect

at the moment in terms of the relationship between the Ministry of Natural Resources and their attitude toward—

**Hon. Mr. Timbrell:** Throw in the Ministry of the Environment too because—

**Mr. Reed:** Environment isn't really directly involved as much as Natural Resources.

**Hon. Mr. Timbrell:** Sure they are, the Ministry of the Environment always gets involved in these projects. Mr. Frame used the example of Arnprior, and the Ministry of the Environment was certainly involved in that project, as it is in any project that involves such things as flooding of land, particularly good agricultural land.

**Mr. Frame:** One of the problems of the smaller hydraulic sites is that the run of the river is not constant. In the springtime the flow of the river is great and in the summer you get almost nothing at all. And in the wintertime you may or may not have anything. So it requires a dam and it requires a head pond. It requires the flooding of not only the land of the developer, but it may require a head pond which overflows and goes back onto other properties. The Ministry of the Environment is much concerned about this; and there are protests from other people.

**Mr. Reed:** But there are sites that have been historically flooded since 1820, as mechanical power sites and later on as electrical generating plants.

**Hon. Mr. Timbrell:** If I'm sounding negative I apologize, because I don't mean to be. This is one of the subjects that the Porter commission is looking at, when they look at the future expansion programme, the mix of the generation system. The inventory has been produced and is available.

If you know of specific greenhouse operators who want to develop particular sites themselves and pay the costs of developing them, then let's see the specific proposals—I think the ministry and/or Hydro should sit down and talk about them. But they have to realize that they would have to maintain the operation, and if any transmission facilities had to be built, they would have to pay for it.

**Mr. Reed:** Mr. Minister, I think that's assumed in a free enterprise system.

**Hon. Mr. Timbrell:** If you know of specific proposals then I'd like to—

**Mr. Reed:** Are you stating that your ministry will make a policy to support this redevelopment?

**Hon. Mr. Timbrell:** We will facilitate a meeting of the minds to talk about it with Hydro if you know of a specific business concern which wants to generate its own power.

**Mr. Reed:** Good.

**Mr. Ruston:** Some of the things I was going to mention have already been spoken on to some degree. I am thinking of one item in particular and that probably should come under housing bylaws or regulations for standards of insulation and so forth.

I had an interesting experience myself, having been in the insulation business a number of years ago, especially in older homes which never had any insulation. I live in a home which has three inches of insulation in the attic; we have forced air gas heating. I came to the conclusion that probably I could be one of those who might save some heat and one year we added three inches on top of it—by what we call blowing in insulation. Although the increase in the natural gas price last year was about 20 per cent, my heating bill stayed stagnant, or was perhaps a few dollars less.

What I am getting at is my neighbour's home, which is an electrically-heated home, has six inches, I think some of them have eight inches, but I think the minimum standards are six inches of insulation for electric heat. What I am getting at is that if we had these standards for all forms of heat we would certainly be cutting down the consumption of energy; maybe we should be looking at it.

I think we were looking at it for Hydro purposes. It was not necessarily the conservation of energy when it started, probably 10 years ago, but because of cost; Hydro had a tendency to be a little higher in price than other forms of heat. In order to keep the usage down and the price down, they set much higher standards for insulation. That's something I think should be in our building standards—insulation in construction of all new homes or buildings would be certainly one way to conserve energy.

There are other forms of insulation, of course, in commercial buildings and so forth and I realize they are not all the same. I am speaking now strictly of residential housing.

The provincial sales tax was mentioned, and as the minister said it is a minor thing, of course. Maybe it is just—I suppose the thought of it sometimes has a bearing on it.



I suppose it is like the amount of new automobiles which were sold since the sales tax was taken off during the seven-month period before election and thereafter.

There were more cars being sold and not all of them were sold because the people couldn't afford to pay the \$200 or \$300 sales tax they saved. I think it was the idea that they were buying and not having to pay the tax. Sometimes, psychologically, the effect of it is that people look at it on that basis as well.

The other thing in the ordinary operation of a heating unit in a home—and again I speak of forced air—is that in most of the units operating on natural gas, for instance, the blower comes on when a certain heat has built up in the unit and then it cuts off. I know some people have set their blowers so that they are operating at all times. I have experimented with that or have been in places where they have used it. Personally, I didn't like it because it seemed to me there was a feeling of cool draught at times when the heat started going down.

I have seen one or two with a two-speed system and that keeps your heat moving. In other words, it stops it from pocketing in ceiling areas and that's proved quite satisfactory in areas where I have seen it.

There's one point. I noticed your deputy said we ran out of wood. I would say that we didn't run out of wood. We quit using it because it was damned inefficient and no one wanted to carry in the wood to put in the stove. I don't think we necessarily ran out of wood. It was a renewable resource and it could have been renewable for that purpose if it had been efficient. But I have a feeling that it was never very efficient. That's why we did away with it. Having been connected with lumber and wood in the family background for a number of years in our area, we have used other forms of heating because they are much more efficient and much less arduous to handle.

With regard to the speed limit. What we haven't convinced the public about is that we have a shortage. Whether that is the fault of the government—and I suppose it must be, I really don't know. I noticed in a Detroit paper a week or two ago that one of the gasoline companies in Detroit was reducing the price of gas three cents a gallon because they had so much on hand; they were cutting the price in order to bring their stock down. That's a temporary thing, I'm sure. But it's pretty difficult to ask people to conserve if they have the money to buy and are not convinced that it's scarce.

As with your recent bill where you have the right to control usage or allocate—that is really the only way you will do it, unless the price is put up so high that only the rich could use it; then there wouldn't be very much used. I don't think that would be the right thing to do. You have to convince people, and I don't think they're yet convinced that there is much of a shortage. Two years ago in the United States when gasoline was short in the service stations in many areas, the consensus among most people and newspaper columnists, who were supposed to be well versed, was that the government, by getting into the distribution act, caused the shortage. What they did in the States was use the previous three years' sales and then allocated certain percentages to one area. If the population balance changed then there were many areas which were short, so it was more or less a man-made shortage; or so most people thought at that time. There hasn't been a shortage since at the gas pumps.

The speed limit is a thing that we have to look at. I think the efficiency of the motor in automobiles and trucks is what we should look at. There is some argument as to whether 55, 60 or 65 is the most efficient speed. You would find that it would vary depending on the horsepower of the vehicle and the cubic-inch displacement of it. I myself find that at a 75-mile speed in a larger motor on Highway 401 where it's easier driving you get about 16 miles to the gallon; this is so with the particular car that I own. If my good wife drives—she has a much lighter foot than I have—we can go much farther on a tank of gas, get about three miles more to the gallon. It isn't a major thing. But as the price of gas goes up and if people want to save money and gas, they can drive about 15 miles an hour slower. This way they would incur no extra cost.

The speed limit of 55 in the United States generates complaints mainly from the trucking industry. They seem to have an idea that trucks moving at 65 miles an hour are more efficient than at 55 miles an hour. They are probably pretty close to being right, in my opinion, because of the motors in most of the big trucks. That's probably a thought as to whether we go 55 or 60. I am more inclined to think that 60 would be a more natural speed, especially on the four-lane highways.

We mentioned the power units. Can anyone here answer anything in regard to the hydro unit in Windsor, the J. Clark Keith generating plant? What does it turn out in

power on a daily basis? Do we have anything here on that?

**Hon. Mr. Timbrell:** Its capacity is what, 800 megawatts? What's the capacity?

**Mr. B. Newman:** Two hundred and sixty-six.

**Hon. Mr. Timbrell:** Two hundred and sixty-six. A lot less than I thought.

**Mr. Frame:** Four hundred and sixty-six megawatt units. It's about 30 per cent efficiency.

**An hon. member:** That's using coal fire, of course.

**Mr. Frame:** The first thermal station in operation in Ontario.

**Mr. B. Newman:** I see a press release or press clipping on that which states it is 266 megawatts of power with only 14 per cent of capacity used. Now, who is correct?

**Hon. Mr. Timbrell:** Whose press release?

**Mr. B. Newman:** No, I shouldn't have said press release. It was a press article specifically on this Clark Keith generating station. I was going to raise the questions that my colleague is raising now. I would like this clarified. If we are only using 14 per cent of the capacity in the station—

**Mr. Frame:** Mr. Minister, there may be confusion between the efficiency of the station and the capacity. The units are 66 megawatts each and it is 240 something. The station is used as a peaking station. Because of its relatively low efficiency, the station is only brought on to the system at certain times of the day or certain parts of the year when it is needed. It is not as efficient as a nuclear station or a hydraulic station and it is more expensive. I believe the 14 per cent refers to its utility throughout the year. It is only in operation 14 per cent of its total available time.

That doesn't mean that the station isn't needed or that it's wasteful. This station has been in operation since 1950 or 1951. The depreciation period for this station is, I think, about 30 years. At the Ontario Energy Board hearing this summer it was mentioned by Ontario Hydro that they are considering the future use of this station. It is one of their lower-efficiency stations and they are considering what should be done with the station and with the site.

**Mr. Ruston:** That's fine. I think that's about all I have, Mr. Chairman.

**Hon. Mr. Timbrell:** I think Dr. Rowe might want to comment on some of the points raised by Mr. Ruston.

**Dr. Rowe:** Mr. Ruston brought up a number of points. First with respect to building codes. As the minister has said, the Ministry of Energy is a policy ministry and as a policy ministry, it recognized the National Building Code, which had the responsibility for minimum insulation standards and should recognize that increased levels of insulation were necessary.

Through the Treasurer (Mr. McKeough), representations were made to Ottawa to that particular committee and to the ministers responsible both for that committee and for corporate affairs in Ottawa, that the insulation levels should be brought up. There was consistent refusal in Ottawa to accept responsibility for increasing levels of insulation. I appeared before the Ontario Architects' Association and made the same kind of point and was rebuffed in public by the chairman of that committee. Mr. Dillon brought the chairman of that committee into his office. Again, consistent rebuffs.

As a result of this, we have had to advise the Ministry of Consumer and Commercial Relations to imbed into the new Ontario Building Code, the necessary minimum levels. We recommended that they adhere to the specification: Canadian Standards CSA 273.1. But there is one warning. We must appreciate that that code was devised for electrically heated homes. There is a danger of tightening up gas- and oil-fired homes too much, and you, sir, are probably aware of the near tragedies that we had in the Ottawa area as a result of homes that were tightened up too much.

In parallel with the new regulations being drawn up for the Ontario Building Code, we have contracted additional work to the Canadian Gas Association to attempt to also set up levels of infiltration that are necessary to ensure adequate combustion. Their answers to these are not immediately available but we are certainly trying to address that particular issue.

With respect to speed limits, and you did mention trucks, you may recall that when the speed limits were reduced in the United States there was tremendous opposition on the part of the truckers in the United States. We—the Ministry of Transportation and Communications and the Ministry of Energy—have met with the Ontario Trucking Association in

an attempt to rationalize trucking use of the highway. Just for the record, and it is publicly on record, the Ontario Trucking Association has reconciled to itself and to its members the possibility that if there is a reduction in speed limits on provincial highways, they would be able to accommodate it in their load schedules and their costs of delivery.

**Mr. Chairman:** It is coming close to 1. Mr. Newman, you're next on the list. Would you like to start or would you prefer to wait?

**Mr. B. Newman:** I'd prefer to start next day.

**Mr. Chairman:** Fine. Then I will inform the committee that we will adjourn now and meet

on Monday afternoon, again approximately 10 minutes after the question period; then on Tuesday the estimates will continue in the afternoon and evening.

**Mr. B. Newman:** Only afternoon on Monday?

**Mr. Chairman:** Only afternoon on Monday.

**Mr. B. Newman:** Do we get that extra half day for another estimate?

**Mr. Chairman:** That is considered a day. The House is not sitting Monday night. We will adjourn until Monday after the question period.

The committee adjourned at 1 p.m.

## CONTENTS

Friday, November 14, 1975

Opening statements, concluded .....	S-351
Ministry administration programme .....	S-352
Energy policy programme .....	S-353
Adjournment .....	S-368

## SPEAKERS IN THIS ISSUE

Burr, F. A. (Windsor-Riverside NDP)  
 Cunningham, E. (Wentworth North L)  
 Newman, B. (Windsor-Walkerville L)  
 Reed, J. (Halton-Burlington L)  
 Reid, T. P. (Rainy River L)  
 Riddell, J. (Huron-Middlesex L)  
 Ruston, R. F. (Essex North L)  
 Timbrell, Hon. D. R. Energy (Don Mills PC)  
 Wildman, B. (Algoma NDP)

### Ministry officials taking part

Clendining, R., Senior Adviser, Oil and Gas  
 Cunningham, P. F., Administrative Officer  
 Dillon, R. M., Deputy Minister  
 Frame, A., Senior Adviser, Utilities  
 MacOdrum, I. B., Senior Adviser, Natural Gas  
 Rowe, Dr. I. H., Senior Adviser, Energy Management





Government  
Publications

# Legislature of Ontario Debates

**SUPPLY COMMITTEE**

**ESTIMATES, MINISTRY OF ENERGY**

OFFICIAL REPORT — DAILY EDITION

First Session of the Thirtieth Legislature

**Monday, November 17, 1975**

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975

## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MGS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.

## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

MONDAY, NOVEMBER 17, 1975

The committee met at 3:04 p.m.

#### ESTIMATES, MINISTRY OF ENERGY (continued)

**Mr. Chairman:** We have a quorum. We are on vote 1802. The following have indicated they'd like to speak, for your information: B. Newman, McCague, Bryden, Burr, Gaunt, Makarchuk. Mr. Newman is not here, so we'll start with Mr. McCague.

On vote 1802:

**Mr. McCague:** In Mr. Peterson's remarks the other evening he made reference to a report submitted by the Ministry of Agriculture and Food, regarding the Bradley to Georgetown Hydro line. Is the minister in receipt of that report yet?

**Hon. Mr. Timbrell:** The only thing I can think the member for London Centre was talking about was the report the Premier (Mr. Davis) requested the former minister to make regarding a proposed alternative route. The former minister has made his comments on that to the Premier and to me. We are now waiting to receive the report of the Environmental Hearing Board on the reference which I made to them a number of months ago, and then we can lay the whole thing before the public.

**Mr. Chairman:** Mrs. Bryden.

**Mrs. Bryden:** Mr. Chairman, I have one minor question to start with; then I wanted to discuss the Isbister report, if that's in order—I think it is at this stage.

My minor question is for a further elaboration of this reply about the \$139,000 paid to the firm with which Robert Macaulay is connected. I would like a breakdown of what kinds of briefs and activities he was engaged in, and what the per-hour rate was for Mr. Macaulay. According to the newspapers, or the minister's statement in the House I think, he did not confirm or deny whether it was \$75 an hour. So if we could have a further breakdown of that.

**Hon. Mr. Timbrell:** I was trying to find a list, Mr. Chairman, of the various cases that were heard or for which we had counsel. There are three firms here—this is 1975-1976—I think the question from Mr. Sargent related to 1974-1975.

The following were the firms used between March 31, 1974, and March 31, 1975. I don't have the list of the projects on which they worked. Day, Wilson, Campbell \$37,743.33; Gill, Cook—a Calgary law firm which does our work where it involves mainly the Alberta Energy Resources Conservation Board—\$6,-357.60; the firm of Blackwell, Law, Treadgold, \$11,970.00; the firm of Thompson, Rogers—this would be mainly on Hydro for 1974—\$73,836.33; D. H. Rogers, \$181; Reed, Parry, \$32,943.44; Macaulay, Perry \$33,-256.20; and Montgomery, Cassels, \$39,340.28. That's in 1974-1975.

This is information we gave to the Assistant Deputy Attorney General, Mr. Hilton. It doesn't indicate who did what, but I will give you some idea what was involved with the outside counsel in 1974-1975.

Before the Ontario Energy Board there were 41 days on the Ontario Hydro rates hearings; 39 days on Union Gas rates hearings; 40 days on Consumers' Gas rates hearings; 48 days on Northern and Central Gas rates hearings. Before the Alberta Energy Resources Conservation Board: One day on the Alberta and Southern natural gas application, and four days on Alberta energy requirements and an order-in-council of the Alberta cabinet, 1972-2001. Before the National Energy Board: Eight days on natural gas export pricing; 19 days on natural gas supply and deliverability; 17 days on TransCanada Pipeline rates; six days on TransCanada PipeLines' facilities; three days on TransCanada PipeLines coal-gas location; one day on Lowell Gas; five days on the Pan Alberta Gaz Metropolitan application; nine days on IPL facilities; one day on Dome Petroleum; and 12 days on oil exports, 1974 hearing.

The rate to Mr. Macaulay—and you realize there were a number of other firms involved—was \$75 an hour. It was \$45 an hour for juniors involved with the cases.



What has to be said about all of these is that any time we retain counsel it's because of one of two factors. There are rates being asked to which we take exception; it was rates TransCanada PipeLines were asking in a recent case this spring, rates of depreciation and deferred taxes. We took exception to the deferred taxes and intervened. It involved potentially millions of dollars for Ontario consumers. I think it's fair to say we were very successful, as the main intervenor in that case, in seeing that what they wanted was not approved.

We get involved when the case involves a significant price impact on Ontario consumers, and also in cases that involve supply problems, in any significant way. For instance, we indicated to you on Thursday or Friday that we had intervened before the Alberta Energy Resources Conservation Board on the application by Saskatchewan Power for a permit—what volume was it, 750 bcf?

**Mr. MacOdrum:** Yes, annually.

**Hon. Mr. Timbrell:** Annually, 750 bcf? No, it can't be; that's Ontario's—

**Mr. MacOdrum:** Within that order.

**Hon. Mr. Timbrell:** Which I think was 10 years, wasn't it? The decision hasn't come down yet, that I'm aware.

**Mr. MacOdrum:** Since that hearing into a removal permit for the Saskatchewan Power Corp. was held the Energy Resources Conservation Board of Alberta has undertaken a complete review of the deliverability of gas in Alberta from all pools and fields. They have indicated that that application and another application will be stayed until they have completed a review of deliverability.

They've informed Saskatchewan Power that they differ with them in their evaluation of some of the pools and fields they had underpinning that contract, but they've said that a disposition of the application will await their entire review of deliverability. Basically it was to get some fix on an accurate assessment of their deliverability, which was underlying the request for the permit; that was the reason the Province of Ontario was out there.

**Hon. Mr. Timbrell:** There is one other area in which we get involved; the question of pipelines. TransCanada or IPL file applications for permits to construct pipelines and we have participated in all these hearings to put forward our concerns about environmental problems and the impact of these lines in agricultural areas.

**Mr. Shore:** Can I just ask a supplementary question to that?  
[3:15]

**Mr. Chairman:** I will put you on the list.

**Mr. Shore:** Well it's relating to that.

**Mr. Chairman:** I will put you on the list, Mr. Shore.

**Mrs. Bryden:** Thank you, Mr. Minister. I was glad to hear that one of the things your counsel was fighting was this deferred tax question. Consumers were suggesting that it should be part of the cost of service and certainly in—

**Hon. Mr. Timbrell:** This was a TransCanada case, Mrs. Bryden.

**Mrs. Bryden:** Well it was also so in the Consumers' case. I think they're asking for it in the coming case before the Ontario Energy Board.

As you will recall, the whole question of deferred taxes was a very important issue in the 1972 federal election and we seem to be on the same wavelength on that one.

To go on to the Isbister commission, I recognize that the interim report was just to deal with the question of whether to give the green light to the price increases at the present time; but I'm somewhat concerned about the indications of what is going to come out in the final report and how they're interpreting their terms of reference. The terms of reference are fairly broad, but they're rather vague. I was hoping this committee might give them more specifics as to what we hoped to see in the final report.

For instance, I don't think the commission is ready to make a study of overall company profits and has considered only inventory profits in the interim report; but the really huge increases in oil industry profits are something that should be looked into. Then, of course, the question arises as to whether they have to pass through all cost increases. The commission has not really indicated it's going to examine the whole structure of the industry and the dominance of the multinational corporations along with evidence of price fixing. I think these are very important questions.

It doesn't appear that it is ready, really, to examine the complaints of the Ontario Retail Gasoline and Automotive Service Association regarding unfair pricing practices and unfair competition by the major oil companies. This is seriously threatening the livelihood of in-

dependent dealers. I think this is something we should urge them to do.

It appears the commission is relying almost exclusively on industry statistics, with a few contributions from Statistics Canada. I wonder whether they shouldn't undertake some gathering of their own statistics on the supply situation and how it affects Ontario. They haven't involved the public as much as they should—although they did have some token hearings you might say. I think they should definitely involve the public in a much broader way before the final report comes out.

So I would suggest that we should as a committee recommend to them that their terms of reference be interpreted much more broadly and that they should come back to the government for a new order-in-council so that what we get out of it is a real examination of the petroleum industry as it affects this province.

**Hon. Mr. Timbrell:** I think I will ask Mr. Pinnington to make some remarks on this; and I'll have some when he is finished.

**Mr. Pinnington:** I am not sure that I captured all the questions to which you refer. I'll start from the bottom up. With respect to public participation, the commissioner himself expressed in the report and to the minister his disappointment that there was not more public participation. He did indicate it would be his intent during phase two to solicit public participation as much as possible.

**Mrs. Bryden:** Is there any provision for funding of public groups?

**Mr. Pinnington:** To the best of my knowledge, there is none.

**Mrs. Bryden:** That makes public participation very difficult, if there isn't any funding. I understand the Porter commission is going to do such.

**Mr. Pinnington:** I think he has recognized there is some difficulty. Certainly with the major oil companies which appeared before him for phase one, there is no question of ability to provide the funds for this type of activity. I think he recognized that smaller organizations and individuals would have some difficulty. With respect to this, it is his intent, during phase two, to take the commission to various points throughout the province, to make himself more available and to reduce the cost.

Certainly all of the transcripts from the hearing are available and he has indicated that if anyone wishes any portion or all of the transcripts they are available. The notice of session was in the paper the other day, and he will announce shortly his intent with respect to the locations in the province at which he intends to set up shop.

**Mrs. Bryden:** Could you deal with some of the other questions; whether you think the terms of reference are broad enough to provide us with this extensive, in-depth study of the industry's profits and structure?

**Hon. Mr. Timbrell:** May I answer that, Mr. Chairman, and say that I think we're talking about a national industry, many components of which are beyond provincial control. I have expressed concern to the federal minister that what is needed is some greater involvement of the federal government in this whole area.

A number of provinces have attempted to tackle the problem from their vantage points. There have been other commissions in BC in 1966, in Saskatchewan in about 1965—the Thatcher government, I think, commissioned that one—and Nova Scotia had one in 1968 or 1969. All of us can put together some of the puzzle from each of our province's points of view, but none of us have a totally self-contained industry within our borders. We're all dependent on aspects of the industry beyond our borders, in other parts of the country.

None of us have any control— if anybody has any control it's Alberta—but for all intents and purposes none of the provinces have any control over wellhead prices. Those are set by the federal government, it starts from there. And of course IPL's rates are regulated, there is some control there.

It's when it gets here and we start talking about the pump prices and the tankwagon prices that we start to get involved, but the earlier parts are basically in the federal domain. I indicated that I had been asking for a federal-provincial conference on energy; and I did have a Telex late Friday afternoon before I left the office from Mr. Gillespie, indicating there will be such a meeting in Ottawa on Dec. 12. It will discuss energy, but he particularly mentioned petroleum pricing in his Telex.

**Mrs. Bryden:** Could I ask the minister his position on Alberta's position? Theirs almost amounts to a threat to withhold gas if any further price freezes are attempted in any other province.



**Hon. Mr. Timbrell:** I indicated at the time that the hon. Minister of Energy and Resources of Alberta made the statement that we were not about to be dictated to in that way; that we would make policy for Ontario and they could make policy for Alberta, but we were not going to be threatened.

**Mrs. Bryden:** I recognize what you say about the problems of the industry being international and also that we need a federal energy policy.

**Hon. Mr. Timbrell:** Interprovincial.

**Mrs. Bryden:** But the one particular area that is exclusively within provincial jurisdiction is this question of the pricing practices of the oil companies vis-à-vis the dealers. They, I think, have some very serious complaints that I would like to see the commission instructed to study very carefully.

**Hon. Mr. Timbrell:** As you know, the Minister of Consumer and Commercial Relations and I met with representatives of the Ontario Retail Gasoline and Automotive Service Association about two weeks ago. He received from them a brief which contained a variety of alternative solutions to the problems as they see them. We undertook to review the brief within our two respective ministries and to get back together. I'm hoping the minister and I can get together within the next week—I'm here for the next few days and then I'm in the House Thursday with a bill, so it might be the end of the week or the first of next week—to see what we can do before the commissioner finalizes the second page of his report.

I asked Mr. Pinnington and Mr. Clendinning to meet with the royal commission. They might want to just comment on the discussions with the royal commissioner and his plans for this phase two of his hearings.

**Mr. Pinnington:** Yes, I had indicated that the commissioner intends to cover the province and this was the detail of our discussion: that he would make himself available in various centres around the province. If it's the adequacy of the terms of reference that we are going back to here, I think I'd only suggest that in drawing up the terms of reference there was some effort not to be too specific. We were afraid of being overly restrictive; and certainly in the commissioners examination of items a and b during the first phase there was an abundance of detail provided. I wouldn't suggest in any way that the terms of reference restricted his reception or examination of detail; and with respect to c and d I wouldn't personally see any particu-

lar restriction on him. I think he has a great deal of ground that he is free to cover there.

**Mrs. Bryden:** Just one final question, Mr. Minister, would you be willing to urge the commission to make public all the documents it has received from the oil companies, as well as its own documents on which the decisions were based?

**Hon. Mr. Timbrell:** I've raised that specific question with the commissioner too, at a separate meeting. As I understand it, before he completes the work of his commission he is going to review those documents with the view to determining which, if any, he feels can be released. After the work of the commission is completed they are to be sealed and sent to the provincial archivist. It's then up to the Attorney General to determine whether they can be released. But he is going to review them before he finishes.

I should also add that he has indicated to me by way of a letter about two or three weeks ago—here again I expressed some concern to him—that he does not at this point foresee the need for any in-camera hearings in phase two of his work.

**Mrs. Bryden:** But wouldn't the documents be useful for people preparing the briefs for the second phase?

**Hon. Mr. Timbrell:** They dealt with inventories in bulk, they dealt with inventories on hand in September and he indicates that nothing he was given in any way materially affected his conclusions.

**Mrs. Bryden:** Is he worried that they might reveal some pricing information between the companies?

**Mr. Pinnington:** His concern was with the Combines Investigation Act. By publishing the numbers that he had received he might, in a way, be telegraphing future price intent and therefore would be leading the industry to the level of pricing; that's where his concern lay.

You raised the question of the statistical base that was employed. Statistics Canada does provide a very adequate breakdown of petroleum products by province; and in fact the commissioner was able to confirm all of the statistics on an accumulative basis from the companies to match the totals from Statistics Canada, so it was a very adequate check. [3:30]

**Mrs. Bryden:** On the inventories?

**Mr. Pinnington:** Yes, very much so in fact.



**Mrs. Bryden:** Thank you, Mr. Minister.

**Mr. Chairman:** Mr. Makarchuk.

**Mr. Makarchuk:** Yes, Mr. Chairman. I think the first point of concern here is that it was alluded to in press reports that if there was an element of price fixing involved the companies could possibly be prosecuted under the federal Combines Investigation Act. It seems to me the province is privy to this information. What justification is there for the province, in a sense, to become an accessory to a price-fixing combination and not do anything about it?

**Hon. Mr. Timbrell:** As Mr. Pinnington has said, the commissioner at no point suggested there was price fixing. What he was saying is that he didn't want to become a party to price fixing by signalling other people in the industry about how one company deals with particular products or the problems that they have.

I had heard the thought expressed on a number of occasions that there was a problem. It was at that point I asked my colleague to contact the federal minister to tell me whether there was a problem with the Combines Investigation Act. The short answer, as I recall it, was: "Unless there was some collusion there was nothing to be afraid of in regard to that legislation."

**Mr. Makarchuk:** Why would the information then be kept secret if there is nothing to be afraid of? Obviously the commissioner has the information, and I would presume that it's available to you, because the commissioner is—

**Hon. Mr. Timbrell:** No, it's a royal commission which operates independent of the government.

**Mr. Makarchuk:** You have no access to it?

**Hon. Mr. Timbrell:** I haven't got that information. We have Statistics Canada information on inventories. They come out on the 10th of each month. We get those regularly, of course.

But I repeat that the commissioner felt he could be, in a sense, abetting price fixing by signalling to the whole of the industry the pricing policies of all of the companies, and in effect bringing about a form of price fixing.

**Mr. Makarchuk:** But surely in a case such as this you could, if you wanted to, by changing your terms of reference or whatever it is, lay your hands on that information?

**Hon. Mr. Timbrell:** The commissioner is operating under the Public Inquiries Act.

Under that Act any person—that is, an individual or a corporate person—appearing before an inquiry has the right to ask for certain evidence to be heard in camera. What is the section of the Public Inquiries Act?

**Mr. Scott:** I think it is intimate and financial information.

**Hon. Mr. Timbrell:** All right, whatever the section is anyway. The commissioner has discretion later on to determine whether it should be released. That's what I already indicated he's going to do before he finishes his work, review the information he was given in camera to determine whether in his opinion he can release that information without making himself party to a form of price fixing by signalling intentions of one company to the rest of the industry and assisting in uniform pricing policies.

**Mr. Makarchuk:** What puzzles and concerns me is the matter of prices of the oil companies. The only reason the commissioner gave on the increase in prices is the fact the inventory would be used up and the new inventory would be higher, therefore you should pay more for it.

I am sure it exists in his mind, or somewhere in the industry's mind, what their return of profit should be or what the total profit should be; return on investment and so forth. We have no indication whether what the oil companies are going to make, before the freeze and after the freeze, is a justifiable amount or not.

In effect you've accepted that decision without question, as far as I can make out. Have you really looked at the profits of the oil companies related to investment; related to their total profits; related to the profits they make on other aspects of their operation, such as byproducts and so forth? Why do you feel that that figure of 5.4 was a justifiable figure?

**Hon. Mr. Timbrell:** I take it you've read the report.

**Mr. Makarchuk:** I've gone through it.

**Hon. Mr. Timbrell:** You've gone through the report? I hope you read it.

**Mr. Makarchuk:** Not in great detail.

**Hon. Mr. Timbrell:** The two things the commissioner was asked to deal with were the question of inventories and when inventories would run out. He indicated at the time of the filing of the report with the government that that point had already passed. Because of the \$1.50 per bbl increase in the price of crude oil imposed by the federal

government on June 23, in the then Minister of Finance's budget, there should be 4.6 cents additional for the cost of crude; 0.2 cents being an amount to finance the extra cost of crude inventories and 0.6 cents an increase in the federal sales tax on gasoline, it has gone from 3.3 cents to 3.9 cents. So it's based on the information in his report that we allowed the 5.4 cents.

**Mr. Makarchuk:** Well it still doesn't tell me anything, and I don't think it tells anybody for that matter. If the oil companies are making x number of dollars before the freeze, what is there to say that wasn't an adequate amount of money they were making at that time? Why do you have to give them that 5.4 cents increase?

**Hon. Mr. Timbrell:** Because their basic costs—the basic cost of crude over which we have no control—

**Mr. Makarchuk:** I realize that; that is not the point I'm arguing.

**Hon. Mr. Timbrell:** But it's a very important point.

**Mr. Makarchuk:** Well it is an important point all right; and it depends whether you are the oil company or the consumer.

**Hon. Mr. Timbrell:** Or a producing province or a consuming province. I mean Saskatchewan supported the increase, I remind you, and BC.

**Mr. Makarchuk:** And in this case, I suppose, if the money was going to the Province of Alberta, if the taxpayer of Alberta was benefiting from it, then perhaps we may look at it in a different light. But I can't see this is the case right here. What I can't find out—

**Hon. Mr. Timbrell:** I'm sorry what was that point?

**Mr. Makarchuk:** I'm saying of the extra 5.6 cents, whatever it is, some went to the federal government and some went to the government of Alberta.

**Hon. Mr. Timbrell:** Well the rough calculations we have made, Mr. Makarchuk, are that of the 5.4 cents, we know that 0.6 cents is going to the federal government as increase in sales tax and of the remaining 4.8 cents, roughly 3.8 cents of 4 cents—thereabouts, I saw some rough calculation in the week—is going to the governments of the producing provinces and to the federal government in royalties and corporate taxes.

**Mr. Makarchuk:** Those are the figures that were given by the oil companies or—

**Hon. Mr. Timbrell:** Those are the figures we have worked up in our own ministry, based on what we know of the royalty rates and the corporate tax rates of the governments of the producing provinces and the government of Canada.

**Mr. Makarchuk:** Well is there any section or any part of your ministry that really looks at the profits of the oil companies, and perhaps somewhere says: "Enough is enough. We think you're making an adequate sum"? When you're dealing with things like energy, that are important to people in the province there comes a point when, "enough is enough."

If we're going to slice the pie there has to be a reallocation of funds. Perhaps you should make that reallocation and pass it on to the consumer. But is there any reason to pass on more to the oil company? Any justifiable reason?

**Hon. Mr. Timbrell:** Well, I think this is somewhat related to the question raised by your colleague the member for Beaches-Woodbine (Mrs. Bryden). You're talking about a national industry, most of the elements of which are beyond the Province of Ontario.

To date, aside from the controls in the federal government's anti-inflation programme on prices and profits, there have not been controls on the profits of any industry except those in a monopolistic situation; such as gas distributors, for instance, in the Province of Ontario, over whom we do have complete control—although there again we don't have control over TransCanada Pipe Lines, they are regulated by the federal government. We don't have control over the city-gate prices because they're set by the federal government, so that's not entirely within our power either.

We do monitor profits, but I would suggest to you, to get at what I think you're wanting to tackle, this has to be looked at on a national level; we need to look at the whole petroleum industry.

**Mr. Makarchuk:** I understand that if you have to control this certainly the federal government is in the much better position than you are. But at the same time it seems to me that within your own ministry you should have some figures, some indication of what the oil companies are making, on what portion and so on.

**Hon. Mr. Timbrell:** We do, we do.



**Mr. Makarchuk:** And also some indication of their return on investment and so on. Are you prepared to make those figures public? Do you have them somewhere within the workings of your department?

**Hon. Mr. Timbrell:** As I said, we do monitor the profits. I asked for some material in the summer—this is taken from Statistics Canada and quarterly reports, I believe—Imperial Oil, after-tax profits down 11.7 per cent in comparable periods of 1975 and 1974; Gulf, up 2.9 per cent; Shell, no growth, no decline, flat; BP, off 7.7 per cent; Texaco, off 4.1 per cent. I don't have Sun or Fina. But that gives you some idea.

**Mr. Makarchuk:** Suppose somebody asked you, "What can your department do in terms of trying to economize on the cost of gasoline?" And suppose you set your people to work to see where we can chop it down: Would you be able to carry out that kind of a project?

**Hon. Mr. Timbrell:** Not alone, no. Again I come back to my basic point that the provinces can only go so far. When you are dealing with a situation where the price of the basic feedstock, namely crude oil, basically is set in the House of Commons and in government house at Edmonton, once the initial arguments are over with and we have stated our case against those increases, then there is nothing we can do.

Because the federal government has served notice that it intends to force the price of crude oil up to world prices over the next few years, which would mean putting it up about 50 per cent more than it is right now, it is a matter of trying to come up with a system to ensure that temporary freezes no longer have to be brought in, that we have a formula that can be applied year by year against the inventories on hand on the date the prices go up and that, using that formula—and this is what the commissioner says he is going to give us when he is finished—we can ensure that lower-priced crude is used up before consumers start to pay for the higher-priced crude.

**Mr. Makarchuk:** But surely, if you are going to state your case to the federal government, you would have to have some set of figures or some knowledge of what the heck is going on in the industry?

**Hon. Mr. Timbrell:** Yes.

**Mr. Makarchuk:** If you were seriously concerned about trying to bring energy costs to the lowest possible level, and if you had

these figures, then you could go to the federal conferences—and you could use the media and everything else—to point out that the federal government is wrong and that the federal government is allowing the oil companies to rip off the consumers—if that is the case. But you can't do those things unless you have the figures, and it seems to me at this time that you really do not have them.

**Hon. Mr. Timbrell:** Has anybody here got a collection of the papers we tabled at the federal-provincial conference? No? Well, I will get you a set of those, in which we did deal with such things as exploration costs, the actual exploration and the breakdown of where the money was going.

For instance, in 1974 the arguments put forward were that the increase from \$3.80 to \$6.50 a barrel was needed to increase exploration and development in the country. We were able to show that in fact 95 per cent, I believe, of the revenue generated by those increases ended up in the hands of the federal government and of the governments of the producing provinces, primarily Alberta. We were also able to show—it was common knowledge in fact—that exploration was off, not up. These two things in particular added to what we saw as the inflationary effect on the Province of Ontario. And the potential loss of jobs and income in Ontario formed the basis for our opposition to the increase proposed by the federal government, namely from \$6.50 to \$8.

We were aided in our position by the Province of New Brunswick, the Province of Nova Scotia and the Province of Manitoba. But all of the other provinces, including Saskatchewan, British Columbia and Alberta opposed us; and the federal government, under the Petroleum Administration Act, imposed the No. 8 level effective 12:01 a.m. July 1.

[3:45]

**Mr. Makarchuk:** When you examine these things, do you examine the cost of the by-products from industry, the effect they have on your manufacturing industries, like fiberglass, plastics and so on? Is that part of your examination?

**Hon. Mr. Timbrell:** This we did with Treasury. We did do some work on the model they have of the Ontario economy. Who would like to comment on that? I will ask Mr. Thacker to comment.

**Mr. Thacker:** The Ministry of Treasury and Economics did do a macro-economic projection of the impact on the economy of the price increases of oil and gas. I don't have



the figures with me, but they indicated what the effect would be, per dollar increase in oil, on unemployment and economic growth. I guess those are the two major factors.

**Mr. Makarchuk:** If you examine specifics in terms of, say, glycol; why did it go up? Fiberglass resin; why did it go up? What is the reason for those increases?

**Mr. Thacker:** I think Paul Pinnington probably should speak to the products such as ethylene glycol. The analysis that Treasury and Economics would have done would have been on what is called a macro level. It would not have looked at individual petroleum products or energy intensive products. They would have done a superficial analysis of larger sectors of the economy.

It is possible to analyse an individual product such as anti-freeze and see what percentage of the total cost is energy and do, as I say, a detailed analysis to see, given an increase in a petroleum product, what the corresponding increase in the product itself should be. Now I don't know that that has been done. Do you know, Paul?

**Mr. Makarchuk:** But that doesn't tell me why there was any justifiable reason for the increase in price then, does it? All you say is: "The price has gone up. It has a certain follow-on effect on all other aspects of industry and the economy. Accept it, that is what happens." But surely, you want to get to the initial question; is there a reason for that increase? Is this a justifiable increase? Have you examined that portion?

**Mr. Thacker:** There is an increase. The size of the increase, I don't think I am prepared to speak to.

**Hon. Mr. Timbrell:** Sorry. Are you talking about the increase in crude?

**Mr. Makarchuk:** No. I am talking about the refinery byproducts in terms of glycol, fiberglass resin and stuff like that. Stuff that goes into plastics.

**Hon. Mr. Timbrell:** Paul, can you comment on some of the byproduct costs?

**Mr. Pennington:** That particular study did not, in fact, to the best of my knowledge, examine any of the detail of the cracking of naphtha to produce ethylene, which is a precursor of ethylene glycol. I believe there was certainly some work done with respect to the Petrosar operation and an establishment there of what the increase in crude relative

to the portion of the barrel they would subsequently employ in their operation. But the specific answer to the question have we examined the incremental costs by specific petrochemicals is no.

**Mr. Makarchuk:** Why not? Why was there no examination of these costs?

**Hon. Mr. Timbrell:** For one we are into an area which basically comes under Consumer and Commercial Relations—that is product pricing, consumer product pricing. The Treasury did do a study of the glass industry, since it is one of the few which must use natural gas in its production work. But in general we are basically off into an area which is outside this ministry's mandate.

**Mr. Makarchuk:** Surely, when you are examining the profits, if you are examining the profits of the oil companies this is a matter that should be of some concern to you, that they make so much profit on straight energy and also on producing items. They certainly make profits on other things, which goes to add up to the total profit of the firms involved in these things. Don't you think there are some valid reasons for examining the whole aspect of this thing, the whole profit picture of these companies?

**Hon. Mr. Timbrell:** I think the hon. member will find that under the anti-inflation programme of the federal government, they will come under scrutiny by the jurisdiction which has the authority, namely the federal government. Where we have involved ourselves is in the question of the basic cost and how that money is distributed. We think that far too much is going into government coffers and not enough is going back into the field, into exploration and development.

We have said that if the federal government wants to pursue this line of forcing up prices to do these two things—one, effect conservation; two, to effect greater exploration and development—then perhaps they should look at things like excess profits taxes and that sort of thing, leaving the money raised by the increases in the hands of the companies and using such financial measures to ensure the money does in fact get back into the field. That has been our involvement.

The Ministry of Consumer and Commercial Relations does get involved with the question of product pricing. For instance, the legislation, Bill 133, which brought about the freeze on petroleum product pricing was not an

energy bill. It was a Consumer and Commercial Relations' bill, because that is their mandate. Our mandate has to do with supply, and advising the government on questions of supply; and on pricing for the basic energy stock—crude oil, natural gas; and on overall impact. When you start getting into individual product pricing then you are moving away from this ministry.

**Mr. Makarchuk:** Surely if you are going to be fair in terms of both the company and the consumer, and pricing is what you are concerned about—as you say you are—then you would look to see what other incomes they have from other byproducts, because that goes into the same barrel in the end.

**Mr. Pinnington:** Might I add some perspective to that energy barrel. The petrochemical industry, per se, consumes something less than six per cent of the total energy barrel. I believe the number for 1975 is 5.6 per cent of the energy barrel.

The principals in the chemical industry to which you refer, such as the plastics polyethylene, polypropylene and the other chemicals, ethyleneoxide, glycol, these various items are really outside—not exclusively but generally—the oil companies. The marketing of that type of thing lies with Dow, Du Pont, Union Carbide, Polymer Corp., those types of firms. It is a misconception to assume that all of that secondary industry relates to the petroleum industry.

**Mr. Makarchuk:** I didn't say that all of it related to petroleum. My concern here is that obviously your ministry has not undertaken any kind of studies. You have no idea of what they make on the byproducts; how it relates to the increases in costs on byproducts; whether they are related in any way or not and whether the total net profit of the petroleum companies is related in any way to the byproducts or not.

These byproducts do come from the refineries. They are fed to, say Dow, which in turn feeds them to some other firm or makes them into plastics or chemicals. But there is still a flow of money from the consumer to Dow to the oil companies, which doesn't seem to enter in your analysis of the profit situation of the oil companies.

**Hon. Mr. Timbrell:** Again, with respect, I think you are asking the same question again. When we start talking about specific products, then we are moving outside of the mandate and the role of the Ministry of Energy. Our function is to advise the government, I repeat again, on supply, on the pricing of the

basic stocks—namely crude oil and gas; and on negotiations with the federal government and with the other provincial governments; and on the overall impact on the province and on the country. With respect, I say again, when you start getting into individual products, you are talking about our own Ministry of Consumer and Commercial Relations and you start getting into, I suppose, the federal department of Consumer and Corporate Affairs.

**Mr. Mankarchuk:** But you still say you are involved in pricing of the product. This is the point and when you—

**Hon. Mr. Timbrell:** To the extent that our basic—again, we look at the overall impact, environmental as well. When you are talking about pricing, we are looking at the overall impact on the province. We have our own people, such as Mr. Thacker and others who are economists, working with the Treasury, who have the model of the Ontario economy and who work up the various impacts depending on which pricing orders you want to use.

We were able to go to the federal-provincial conference saying what the impact was per \$1 a barrel of crude oil, how much it was for every 10 cents or 25 cents increase in natural gas, and the overall impact on the province. Our mandate in this ministry is not to examine it in terms of individual industries, glass—that was, as mentioned, done by TEIGA—or glycol or whatever else.

**Mr. Makarchuk:** I am not sure whether the minister doesn't understand me or evades me.

**Hon. Mr. Timbrell:** I am just wondering the same thing.

**Mr. Makarchuk:** If I were concerned about pricing—and I am concerned about pricing of energy costs in the Province of Ontario—and I know I have a certain group of companies supplying this to the consumer in Ontario, I would look very closely at the total amount of profit they make. They don't necessarily make it all on selling gasoline. They make it on running gas stations; they make it on selling tires and batteries and everything else. They also make it on selling byproducts which go into the manufacturing sector of the Ontario economy. Surely, if you are concerned, if the intent is to try to keep the costs low for the consumer and you are concerned about pricing—which you say you are—you would have to look at the total profit picture of the company. You don't just isolate yourself and say "We are



dealing with this particular aspect. We are just dealing with gasoline and fuel oil" and forget about everything else.

**Hon. Mr. Timbrell:** All right, but it still all comes back to the question of the cost of a barrel of crude oil and the cost of an mcf of natural gas.

**Mr. Makarchuk:** Yes, but you don't—

**Hon. Mr. Timbrell:** That is what we address ourselves to—

**Mr. Makarchuk:** Sure, you address yourself to the costs.

**Hon. Mr. Timbrell:**—excuse me, when we deal with the federal government and with the other provincial governments, particularly the governments of the producing provinces.

**Mr. Makarchuk:** Why don't you address yourself also to what can be done with that barrel of crude oil as well at the other end?

**Hon. Mr. Timbrell:** Because that is not our mandate.

**Mr. Makarchuk:** In that case, I would say you are really not quite responsible to the people of Ontario in terms of trying to provide for them.

**Hon. Mr. Timbrell:** You may say that you have motives for saying that.

**Mr. Makarchuk:** Certainly I have, and I have reasons, I think, as well.

**Hon. Mr. Timbrell:** Where we leave off, other ministries pick up. Consumer and Commercial—

**Mr. Makarchuk:** You haven't got a single ministry. You said earlier the federal prices and wage people are going to look after that. Do you have faith in that? I don't think anybody else here has faith that they are going to look at these things and examine the situation or the pricing of the byproducts.

**Hon. Mr. Timbrell:** You are missing—all right, just a moment. They have indicated they will control; the guidelines will apply to individual products. What I indicated was that where we leave off as far as any provincial jurisdiction or control is concerned, other ministries like Consumer and Commercial Relations and the Treasury pick up.

**Mr. Johnson:** This is in relation to the Bradley Junction corridor.

Interjection.

**Mr. Johnson:** The Grey county hydro corridor committee's concern seems to be that in some instances the gravel roads will be built underneath the multiple line system and that if these roads are built they will block the fields in such a way the farmers will be unable to use them. There are conflicting statements; one member states that the roads will be built and others state that they will not. Will they be built or not?  
[4:00]

**Hon. Mr. Timbrell:** Is Mr. Frame here? I don't believe, subject to what Mr. Frame can advise, they have plans to build any system of gravel roads. What are they suggesting—the length of the corridor?

**Mr. Johnson:** Yes, this is the statement made in one of the briefs that has been presented by the Grey county hydro corridor committee.

**Hon. Mr. Timbrell:** Oh, is that the one that was presented in Hanover in August, 1974?

**Mr. Johnson:** No, this is dated Oct. 31.

**Hon. Mr. Timbrell:** All right. I don't believe they have plans for any such a system—the length of the corridor, no. But here is Mr. Frame. Would you like to restate the question for him?

**Mr. Johnson:** This is in relation to the Grey county hydro corridor committee and with Bradley Junction. A statement was made that gravel roads on corridors would be built on the multiple line system—the way the corridors were going through that there would be gravel roads built underneath them—to service them?

**Mr. Frame:** I am not familiar with the report. Excuse me—what report is it from?

**Mr. Johnson:** It is dated Oct. 31, 1975—the Grey county hydro corridor committee. I would be glad to present it to you after if you like. There are about a dozen questions. The one concern they had was that if the roads were built, they would block off the fields, making it impossible to make any use of them except for pasture.

**Mr. Frame:** Does the report refer to roads for purpose of constructing the corridor or normal county or township roads?

**Mr. Johnson:** No, not county roads—roads through the fields.

**Mr. Frame:** For construction of the corridor?



**Mr. Johnson:** Yes, but not actually construction roads.

**Mr. Frame:** When Hydro constructs these corridors, the procedure used as much as possible is to come down to the corridors from township roads—which might normally be a mile and a quarter apart, as you know. Because of the geography and some restrictions, they do have to obtain permission or access from an owner to put in a construction road into the corridor, across a field or down a farm lane or down an expanded farm lane. They try to put in these—what amounts to temporary roads—as easily as they can without damaging crops—or let's say damaging crops as little as possible. The road then can be left in. When the construction is finished, Hydro undertakes to try and revamp the field or the farm as much as they can. But I think they have said they would co-operate with the farmer or the owner of the land and leave in the construction roads if that was desired.

**Mr. Johnson:** This is the concern; especially if gravel roads are to be built diagonally through their fields, and they feel that the roads will be left in. This is not a policy of Hydro?

**Mr. Frame:** The thing that is happening here is that Hydro has conducted since about May of this year a number of planning seminars with groups. They held these seminars in Orangeville and they met with various farm groups and environmental groups. They've been trying, in effect, to feel their way and get the feelings of the farmers and the naturalists, and the environmentalists and all the people who are concerned with the construction of these corridors, and the people who have an impact on it. The wrapup meeting of these seminars, which were held between May and August of this year, was last Wednesday, Nov. 12, in Toronto. About 30 different organizations had representation at these seminars. They have come out with a report, and Hydro will make a copy available to you, of concerns by the various farm groups. That was one of them. Construction roads on farm property and how they should be handled and how they should be left is one of the quite serious concerns. There are a number of others.

The whole report that has just been presented to the Ontario Hydro board of directors is in a printed form and is being presented to all of the organizations which took part of the seminars, so they can present it to their executive. I am sure it is available

to the public and available to you. You will find that a lot of concerns were expressed, of which Hydro has expressed its intent to take note. They will take note of all the concerns and co-operate fully with farmers, farm organizations, environmental organizations, people like the Federation of Ontario Naturalists, anglers and hunters. There are quite a few organizations which have been involved in this. Construction roads will be left in if the farmer desires it, if that was the question.

**Mr. Johnson:** One other question: Is adequate compensation paid in the event of a tile drainage system that is disrupted by towers being installed?

**Mr. Frame:** Yes, the existing tile drainage system is one of the factors taken into consideration for compensation. Very definitely.

**Mr. Eaton:** Are damaged systems to be replaced so that they are workable, and not just compensated for?

**Mr. Frame:** If they are damaged, I think there has to be compensation for replacement.

**Mr. Eaton:** But are they to be replaced so they work and not just left destroyed but paid for?

**Mr. Frame:** Hydro has expressed its intent to compensate the farmer fully for any damage done during construction.

**Mr. Eaton:** That wasn't the question. Are the drains to be left in workable condition or not?

**Mr. Frame:** I think it would be up to the farmer. He will be compensated fully for any replacement necessary. If the farmer wants Hydro to replace drains that have obviously been damaged, Hydro will replace them. The farmer may decide that he doesn't want the drain replaced but will take the cash instead.

**Hon. Mr. Timbrell:** Your last question, Mr. Johnson, was on compensation. I am sorry, I was writing a note to Mr. Miller and I missed it.

**Mr. Johnson:** Yes.

**Hon. Mr. Timbrell:** Was this on drains for the right of way itself?

**Mr. Johnson:** Compensation for the tower, I assume, is only natural, but in some cases it could be quite extensive for tile drainage. There is one mention here of \$75 being paid for a tower and it cost \$2,700 to repair his

tile system. This could be slightly exaggerated.

**Hon. Mr. Timbrell:** When was he paid \$75? That was a long time ago.

**Mr. Frame:** Originally back around 1910 when Hydro started building transmission lines, it was \$25 a tower. It went up to \$50 and \$75 and for many years it was \$100 a tower—a single payment, forever.

**Hon. Mr. Timbrell:** When did it go up to \$50?

**Mr. Frame:** It went up to \$100, I think, in the 1930s at some time, or maybe about 1940. It went from \$25 to \$100 over a period of years. But for many years it was \$100 per tower. That policy changed radically about five years ago, and then there was another major revision in the policy one year ago. About five years ago the compensation method was changed so that the dollars involved were based upon the value per acre of land. One year ago the compensation policy was changed very radically so that the farmer was given three basic options—the outright purchase of the land or leasing of the land to Hydro, and under that he had two options. He could take a lifetime lease for a given amount or a five-year lease renewable. Every five years the lease would be renewed at the up-to-date land value.

So the farmer now has his choice of methods of compensation. He's compensated on very up-to-date land values. If there is a dispute about the value of the land there are provisions for it to go to the Land Compensation Board so an independent body decides upon the value involved. The \$75 per tower is long gone, long ago. It was a figure a few years ago.

**Mr. Johnson:** I should just say, too, Mr. Frame mentions the question of the Land Compensation Board. There was an amendment that the then Attorney General put through in the spring, and I think it has met with general approval among the farming community, because previously if there was no negotiated settlement they had to go through all the fuss, muss, expense and so forth of expropriations. Now, if they can't arrive at a settlement they just go straight to the board without the extra problems that were previously associated with anything that went before that tribunal. Some of the rural members nod their heads—I understand it's met with fairly universal approval of the farming community. Certainly the federation has indicated to us that it's much happier with this system than what existed before.

**Mr. Frame:** I might also say that the farmer also has the option of leasing back from Hydro the land he has sold them, for \$1 an acre per year, plus taxes. He has some restrictions on what he can do under the towers, as you know, and he has some problems working around them, but the standard rental rate for Hydro to lease the land back to the farmer is \$1 an acre per year, just a nominal amount to close the contract, plus the taxes being charged by the local township.

**Mr. Johnson:** How much acreage would a tower take?

**Mr. Frame:** On 100 acres, what they call a square 100, I think the maximum a farmer is losing on any 500kv transmission line is 12 acres.

**Mr. Johnson:** Twelve acres.

**Mr. Frame:** Yes, 12 acres on a 250ft width, where on a 100-acre plot he could have three towers and they're 900ft apart.

**Hon. Mr. Timbrell:** I don't think you understood his question. Twelve acres is the area of the right of way. I think what Mr. Johnston was asking was how much is lost under the towers themselves. So three towers are what, about 400 sq ft taken up by each tower?

**Mr. Frame:** About 20ft by 20ft is the basic tower—about 400 sq ft.

**Hon. Mr. Timbrell:** So 1,200 sq ft, or one-twelfth of an acre, roughly.

**Mr. Johnson:** So he would lose very little in acreage, in production.

**Mr. Frame:** Right. Of course, he has some difficulties. With the type of farm machinery these days, he can't work around the tower as easily as if the tower wasn't there, and he has some restrictions on—

**Mr. Lewis:** Boy, you make it sound so virtuous and generous and friendly of Ontario Hydro; and the farmers have to bully them, kicking and screaming, into behaving in a humane way.

**Hon. Mr. Timbrell:** I don't think I should let that go.

**Mr. Lewis:** What do you mean? There are members of the opposition side—I see them in front of and beside me—who have been to farmers' meetings over the last two or three years where they raise the roof about Hydro's behaviour. It's only because of the farmers meeting that Hydro finally came to its senses.



You can understand the Grey county group and any other group being apprehensive in its dealings with Ontario Hydro, because Hydro has been such a bull-headed monolithic kind of corporation. Good grief, it's all such sweetness and light; these fatuous s.o.b.s.

**Hon. Mr. Timbrell:** I think it's probably more accurate to say, Mr. Chairman—and if Mr. Lewis wants to direct those kinds of comments at me, fine. I'm paid to do it, my staff aren't.

**Mr. Lewis:** Not at you; at Ontario Hydro. Good lord, have you become an apologist for Hydro too?

**Hon. Mr. Timbrell:** I am telling you, sir, that these people work for me as the Minister of Energy and they don't have to take that kind of comment from anybody.

**Mr. Lewis:** Well, they're taking it, that's just tough. What do you mean they don't have to take that kind of comment?

**Hon. Mr. Timbrell:** I'm talking about the people in my ministry.

**Mr. Lewis:** Well, what am I saying? That the person in your ministry who is reporting is talking as though Hydro bends over backwards for the farm community in the transmission corridors which it erects, and Ontario Hydro's record on transmission corridors, as members around these tables can tell you, chapter and verse, has been horrendous. That's why there have been all these problems. Good grief.

**Hon. Mr. Timbrell:** I think it is fair to say that we have made a great deal of progress.

**Mr. Lewis:** Yes, we have made some progress.

**Hon. Mr. Timbrell:** A great deal of progress, compared to any other jurisdiction—when you look at the processes we have gone through in the province, with such bodies as the Solandt commission and, now, with the Porter commission looking at the future generation programme—compared to any jurisdiction you care to choose, sir.

[4:15]

**Mr. Lewis:** That may be.

**Mr. Eaton:** It has been a real struggle having gone through the Federation of Agriculture—

**Mr. Lewis:** Do you hear that, from the man who should have been Minister of Agriculture? Do you hear that? Listen to him. He will tell you about what they do to farmers' land.

**Mr. Chairman:** I would like to inform the committee that the following speakers have indicated they wish to speak.

**Mr. Lewis:** My apology.

**Mr. Chairman:** Mr. Gaunt, Mr. Wildman, Mr. Spence and Mr. Makarchuk. Mr. Gaunt.

**Mr. Gaunt:** Mr. Chairman, I just want to echo what has been said in the past few moments. As one who has been deeply involved in these things and affected—my people were affected in a substantial way by Ontario Hydro because Douglas Point happens to be in my riding and the problems that we have had have rippled all the way down, through Mr. Johnson's riding and Mr. McCague's riding and quite a number of ridings.

Certainly it has been a very tough business. It has been not merely a question of pulling teeth with the Ontario Hydro; much tougher than that. We have made some progress, I must admit, but I think we are still a piece off. I think that it is to be hoped that more progress can be made, because there's an area there that still needs to be corrected.

Let me deal specifically with the Bradley-Georgetown power corridor, because that has been the subject of discussion latterly and I believe it has been raised a number of times previously. I think the minister indicated in response to a question posed by Mr. McCague that he was waiting for the environmental hearing officers' report before any further action would be taken with respect to the Bradley-Georgetown power corridor problem.

May I ask you, Mr. Minister, when you expect that report? Are we talking about weeks or are we talking about months, or what?

**Hon. Mr. Timbrell:** I am seeing the chairman of the board tomorrow morning at 8:30 and I would expect to have that report very soon.

**Mr. Gaunt:** Within the next two weeks or a month?

**Hon. Mr. Timbrell:** It depends on what he tells me tomorrow morning. I understand that they have virtually finished all their work. He has asked to see me and I am seeing him at 8:30 in the morning.



**Mr. Gaunt:** The question may be somewhat academic, but what do you do in the event that the hearing officer recommends an alternative route?

**Hon. Mr. Timbrell:** Then we take it under consideration. There has not been an order in council passed for that portion of that route, to my recollection. I assume that once the report has been released, there will be further comments made and then we would come to some final determination.

**Mr. Gaunt:** With regard to one of the points that was central to the argument put forward by several of the groups involved in that particular corridor, do you feel that the study under the terms of reference given to the Environmental Hearing Board to study the route from Colbeck to Limehouse is a fair one, in the sense that if they recommend a change it would almost be impossible to change it, because the line up the route is already committed?

**Hon. Mr. Timbrell:** Where would it be impossible to change it?

**Mr. Gaunt:** You are only studying part of the line.

**Hon. Mr. Timbrell:** To Colbeck the line follows an existing right of way. Colbeck to Limehouse is a new section. It is a new crossing of the escarpment that was dealt with by Dr. Solandt in his first study—the Nanticoke to Pickering situation. It can be changed. I don't see why you think it can't be changed from what was recommended before.

**Mr. Gaunt:** My point is this. Once you have a part of the line committed, it makes it very difficult to redirect another part of the line. You don't feel that that is the case?

**Hon. Mr. Timbrell:** No. Otherwise we wouldn't have said anything to the Environmental Hearing Board.

**Mr. Gaunt:** Well, I think the Environmental Hearing Board—

**Hon. Mr. Timbrell:** As of June 7 you thought it was a good idea.

**Mr. Gaunt:** Well, at least we made some progress and to that extent I thought it was a good idea. But, if you had been reading my speeches previously, you would recognize that what you did in that step wasn't entirely the whole matter in terms of what I had been asking for and what a lot of other people had been asking for.

**Hon. Mr. Timbrell:** Oh, I realize. I think I indicated the reasons why I couldn't go as far as some people asked—the main one being the question of power being locked in at Bruce and the costs to the people of Ontario of having that power locked in. It's a question of time and money.

**Mr. Gaunt:** I recognize the arguments and I know that you put them forward at that time. As I understand it—

**Hon. Mr. Timbrell:** I am very sympathetic to this kind of problem, having spent some years, when I was very young, on a farm. More recently, before my father passed away a year ago, they lived on a farm north of Belleville. It was proposed by Hydro and confirmed by the Solandt commission that the farm would be crossed on the diagonal, from the southeast corner to the northwest corner, by a 500 kv corridor. So I have some personal experience with the problem myself.

**Mr. Reed:** Is that one going through too?

**Hon. Mr. Timbrell:** There is an interministerial task force reviewing the comments on the Solandt report and we hope to finalize that very soon.

**Mr. Gaunt:** I don't want to prolong the thing but I think the hearings certainly indicated that in terms of alternative routes there were routes available which would not be as costly, which would not be as lengthy, which would not be going across prime agricultural land, and generally, on all counts, would be more satisfactory.

**Hon. Mr. Timbrell:** As you know, there was a very extensive report prepared on the route by Hydro. It is several volumes, in fact, I don't think I've got it with me.

The Sierra Club, one of the leading naturalist groups in the province, wrote to my predecessor—I guess to Hydro, I'm not sure—but certainly to my predecessor. I've seen a copy of the letter—commending Hydro for the report. They had taken into account many potential problem areas: crossings of the Essa River and their problem with bogs and forests and so forth.

Where the problem came was, as you know, once the line came down through—what would it be, East Luther?—and then got into East Garafraxa and Erin township but when it came through East Luther as I recall—what's the township above East Luther? No, I think it was East Luther, but it followed the back lot lines. Then, of course, when it started to get down into East Garafraxa and

Erin, it started to take some jogs, because of the environmental report, to avoid some ecologically sensitive areas. And that's where the concerns arose. Why wasn't it following back lot lines? Why was it taking these jogs and adding one mile, one mile and a half—

**Mr. Frame:** One point six miles for an extra \$1.2 million.

**Hon. Mr. Timbrell:** — one point six miles because of the jogs. But we will see, because the Environmental Hearing Board has had the benefit of that report, and the views of the concerned citizens' committee of the area on the jogs and potential alternatives through the area.

There was one other problem. On route D, as I recall—I've driven the whole area and flown the whole area as well—there's a very high hill. It's one of the highest vantage points in any township for 20 miles or 30 miles around and they've tried to avoid it. There's a number of things anyway. All of this was presented at the Environmental Hearing Board and we'll see what the chairman says in the morning. I do understand that their work—is it all finished? Yes? It won't be long.

**Mr. Gaunt:** Good, I'm glad to hear that. I've made this point a number of times. I think the environmental groups are certainly well motivated but I know in my own area they were more caught up with protecting the spotted turtles than they were with preserving good agricultural land. I think all these things are matters of trade-offs and it's a balance thing. I think we can't go too far over on one side and I don't think the pendulum can swing too far back on the other side. I think it's a question of balancing these things out and making the best judgement, having regard to the interests of all people concerned and all factors.

**Hon. Mr. Timbrell:** There's no question that when you're talking about a transmission corridor there's nothing particularly attractive about transmission towers or the lines themselves. It does become, first of all, an emotional issue and a very difficult task as even people like Dr. Solandt have commented. It's a very difficult task to try to balance the various concerns; first, those expressed on behalf of the farming community and those expressed by representatives of the ecology or naturalists' groups.

Particularly in this day and age, we have to be concerned about the costs of a project; delays in generating projects and resultant costs then of having power locked in. I think

even now the current estimated cost of power being locked in at Bruce is \$22 million. Is \$22 million the current estimate of the cost of locking in power at Bruce?

**Mr. Frame:** As a minimum.

**Hon. Mr. Timbrell:** As a minimum. When we're talking about trying to keep the rates as low as possible, \$22 million is not to be ignored.

**Mr. Gaunt:** I understand that. I think the routing of this one is very important and I would underline that again because I think what happens with this one will dictate in the next five or 10 years—perhaps closer to 10 years than five—where the next corridor is going to go. I suggest to you that if this one goes through as indicated, we'll have another parallel corridor, perhaps five miles apart, in the next 10 years. The power that's going to be produced at Bruce will have to be removed from there and can only be transmitted on the corridors.

The argument at that point in time will be that corridor is already there and we might as well go that route. And there will be some validity to that. All I'm saying is that the alignment of that corridor is going to be very important because I think it will dictate the alignment of the future corridors needed to get the power out of Bruce in years to come.

**Hon. Mr. Timbrell:** As you know, the Porter commission will be looking at the question of a second line out of Bruce. We hope to have some early advice on that.

**Mr. Gaunt:** I hope they do, too.

**Hon. Mr. Timbrell:** I might say—and I hope the members would agree—from what I've read and heard so far the Porter commission is doing an excellent job of involving the people. I don't know if you or any of the members have had a chance to attend some of their sessions—I haven't but I've had reports—and they are involving the public very widely. It should be a very valuable process, looking ahead into the 1980s and 1990s.

**Mr. Gaunt:** I have just one other matter I want to raise, and that has to do with the conservation of energy, specifically hydro. I understand that the matter was raised previously and I don't want to thrash old straw, but I just wonder if the minister and Hydro, perhaps jointly, are looking at the matter of reverse rates as seriously as I feel the times command.

If we are going to conserve energy, particularly hydro, I think we are going to have



to do it with a little more commitment than just throwing a few Mickey Mouse ads on radio and TV and in the newspapers. If we are really serious about it—and I am suggesting we should be, and I think you have made the comment that at best we can only save approximately two per cent in terms of conservation. Is that not accurate?

**Hon. Mr. Timbrell:** No, not in relation to electricity.

**Mr. Gaunt:** Oh, I see. Okay.

**Mr. Reed:** That must have been in relation to petroleum.

**Hon. Mr. Timbrell:** That was when we were discussing speed limits. I indicated that our calculations are that by lowering the limits we can save about two per cent of the present consumption. I don't like to attach the word "only," because two per cent is two per cent; it is a lot of gallons of gasoline.

**Mr. Gaunt:** What would you consider that a concerted conservation programme would save in terms of kilowatt-hours if we took it seriously and really went after it?

**Hon. Mr. Timbrell:** In our energy management programme, our goal is to reduce by one-third the annual growth in demand for all forms of energy in the province. At present, our energy demand grows by 6.8 per cent a year; that has been the growth pattern. What we are looking for, in each of the years from 1980 and beyond, is a one-third smaller growth pattern than that.

It is difficult to give you any quantitative goal for electricity specifically when we know that we are going to face supply problems with natural gas and when it appears evident that we are going to have to rely more and more on offshore crude oil for this part of the country, whereas we have up until now and continue to rely on western crude at prices lower than the world price. But our general goal for all forms of energy is to reduce the growth rate by one-third.

For instance, in 1975 our estimates are that energy in all forms, for all users, will cost in the neighbourhood of \$5 billion in the Province of Ontario. If present pricing trends were to continue, we anticipate that by 1980 that bill would be up closer to \$11 billion. But if we can cut the growth rate by one-third we can cut \$1 billion off the energy bill by 1980.

You mentioned the pricing structure; I did mention this before, but just to briefly summarize again: Ontario Hydro is working on a

study of rate-making, the 19 to 20 elements that make up rates. When that report is received, we will refer that to the energy board.

I, like you, felt for some time that an inverted rate structure was the answer, until I started to read some of the material which is coming out of Wisconsin. The popular impression is that an inverted rate structure will flatten peaks; in other words, the more you use, the more you pay. Apparently what has happened in Wisconsin, where they went to an inverted rate structure, is this: They shifted the peak. They didn't flatten it; they just shifted it from late afternoon to the morning. So it's not the be all and end all that it might be. I did mention a few others, like Vermont. It has gone to ripple meters, where I think the charge is six times as much per kilowatt hour used in the peak period as for the rest of the day; that sort of thing. There are a number of things that will come out when this is discussed with the energy board.

**Mr. Gaunt:** I can't understand how that would happen.

**Hon. Mr. Timbrell:** Neither can they.

**Mr. Gaunt:** In terms of total saving, they didn't save anything?

**Mr. Frame:** The preliminary information from Wisconsin indicates they are getting what they call needle peaks, and that they are coming at mid-afternoon—for instance, the summer air-conditioning load. People know it is going to cost them a lot of money to turn on the air-conditioning, but there comes a time in the summer when, cost or no cost, everybody decides that their air-conditioning is going on. The first summer they did this they found that they had what they called a needle peak for about an hour—50 per cent higher than any previous peak. It did not come at dinner time, about 4 or 5 o'clock, when they had been getting their peaks before, but around 2 or 3 o'clock. It only came for a short time. The total energy consumption was not quite as much, but the peak was much higher.

It's for peaks that we have to build generating stations. It's for consumption that we have to use fuel. So, it gave them a major problem on demand—and they had to buy power from other utilities to satisfy what they refer to a needle peak. This is for a very short duration of time, but much higher than their other peak and at a different time than the normal peak on the system.



This is a one season experience. They have had this system in for about eight months and they are experimenting. There is a lot to be learned. Vermont is experimenting. Consolidated Edison have experimented with various rate forms and nobody is really sure they've got the answer.

Ontario Hydro has talked with all of these utilities. They've also talked with the Central Electricity Generating Board of Great Britain, and those operating the generating system in France, who have used different systems. Ontario Hydro is trying to get the benefit of almost worldwide experience in different rate structures in different types of rate-making before they make any recommendations as to what might be done in Ontario.

**Mr. Gaunt:** I've got the feeling we are talking about two different things.

**Hon. Mr. Timbrell:** No.

**Mr. Gaunt:** I'm talking about reverse pricing where you actually charge, for example, 1.6 cents per kilowatt hour for the first few kilowatt hours, maybe 1.8 cents for the next block of kilowatt hours, and maybe 4.7 cents for the next block. The higher the consumption the more you pay. I think what we are talking about here is basing the rates on the peaks and valleys of demand.

**Mr. Frame:** No, we are talking residential load with the rate based strictly on consumption. What they found is that if everybody kept their appliances off—air-conditioning being the specific example—but when things got hot, everybody decided they were hot at the same time. The air-conditioning, which had been kept off until 2 o'clock, because people were trying to save money, was all turned on at the same time. The demand on the system was suddenly twice what was expected.

**Mr. Gaunt:** So that you created, in a sense, a completely different peak.

**Mr. Frame:** This was a completely different load pattern—a very high peak for a very short time. People said: "I'll turn it on for half an hour or three-quarters of an hour until I get cool." And then they turned it off. But everybody got hot at the same time, and away went the load. This happened several times last summer in Wisconsin. They can show load pattern charts of this specific phenomenon happening every day it got hot.

**Mr. Gaunt:** So what you are suggesting with that kind of thing is that it puts tremendous strains on the system.

**Mr. Frame:** Yes.

**Mr. Gaunt:** What you are suggesting with that kind of thing is that that puts tremendous strains on the system—

**Mr. Frame:** Yes.

**Mr. Gaunt:** —because you have a peak demand coming quickly and with great intensity.

**Mr. Frame:** At unexpected times.

**Mr. Gaunt:** At unexpected times.

**Mr. Frame:** Yes.

**Mr. Gaunt:** I see, so that in terms of the overall conservation of energy, you are suggesting that it leaves something to be desired?

**Mr. Frame:** We don't think it is entirely the answer.

**Mr. Gaunt:** I don't think anything is entirely the answer. I think that perhaps it is a mix of a number of things that are going to ultimately provide the answer and I am suggesting that this is one of them, which should receive some attention.

**Hon. Mr. Timbrell:** Yes, and it is. I think you would agree that before they would make any recommendations to the government and before we would put anything before the Energy Board for public hearings, that they should, as they are, look at the Wisconsin experience, the Vermont experience, what they are doing to the Central Electricity Generating Board in Great Britain and the Scottish Board has also, I think, changed their rates, and various other countries.

**Mr. Frame:** The ripple meter system in Vermont is a variation of what was known as the white meter system used in Great Britain for many years. The British, after some experience with that, quite a few years, have abandoned what they called their white meter system. This was two meters in your home and when your white meter was spinning, you knew you were paying a much higher rate. The white meter was activated at certain times and people in Britain knew not to use power when the white meter was operating. It had a little light on it so you knew when it was operating. The white meter could be brought into the system as the generating authority desired. As their load was at a peak, they activated the white meters and told everybody: "You are being charged extra for the power you are now using, so don't use any." This brought on

problems too. The British, after quite a few years of experimenting, have abandoned their white meter system.

**Mr. Gaunt:** That is all then.

**Hon. Mr. Timbrell:** The point, though, is still valid. What we are all trying to find is a system that discourages unnecessary use. There is no question—and I did go into some detail the other day, Mr. Gaunt, on such things as the work of the energy bus which has made about 70 visits now to industrial facilities in the province. It has been able to pinpoint, on average, ways in which they can save about 17 per cent on their energy bills; 17 per cent of \$13 million, for a total energy bill of \$2,210,000. Quite a bit. I taught math too.

**Mr. Chairman:** Thank you: We will now move from the land of the spotted turtle to the rugged wilds of Algoma East. Mr. Wildman.

**Mr. Wildman:** Thank you, Mr. Chairman.

**Hon. Mr. Timbrell:** When are you going to get spotted turtles? Great little creatures.

**Mr. Wildman:** I'd like to return for a moment to the question of profits and costs. If I interpret what you said earlier in answer to some questions by Mr. Makarchuk, it seems to me, if I am interpreting correctly, that what you are saying is that—you gave some figures about the oil companies and the profits—the percentage increases over last year were not excessive. In some cases, you showed that they were down a certain percentage and that exploration was down. So because of that, you are saying that the companies needed more money in order to increase their exploration and that when—

**Hon. Mr. Timbrell:** Excuse me, Mr. Wildman, I wasn't saying that. That is the argument of the federal government.

**Mr. Wildman:** Then what is your position on that argument?  
[4:45]

**Hon. Mr. Timbrell:** Our feeling, as I said earlier and as we have said at the first ministers' conference and on other occasions, is that any money that is to be freed up for—first of all that we argued that last year's price increase was sufficient to allow for greater exploration and development, but between the wellhead and the market place, 95 per cent of it got ripped off by government. What we said was that the govern-

ment could make sure that that money went back into exploration and development using such things—just as an example—as an excess profits tax or whatever other thing they can dream up in Tunney's Pasture up in Ottawa. Anyway, obviously the federal government didn't agree with our arguments because they went ahead with another increase and most of that increase is also going into government coffers.

**Mr. Wildman:** When you say that it was ripped off by the government—

**Hon. Mr. Timbrell:** That is perhaps a little harsh.

**Mr. Wildman:** The question that Mr. Makarchuk was trying to deal with, I believe, and what I would like to return to, is how do we determine whether or not the profits made by the companies were legitimate? That is, when you say that they had had so much increase in costs, therefore perhaps the price should be increased so that that cost can be passed through or so that the company is not losing more money, so that they can continue their exploration and so on, how do you determine whether their original profit was legitimate? Perhaps they were making excess profits before and then an excess profits tax would apply. But how do you determine their costs and what their profits are if you only have the figures which are supplied by the companies?

**Hon. Mr. Timbrell:** In so much of this we are again getting into federal fiscal policy and a number of areas over which we have no control whatsoever. The basic corporate tax and exemptions and write-offs and so forth are set by the federal government. Our concern in this was in inventory profits; with the change in the price of crude oil at 12:01 a.m., July 1, 1975, we wanted to ensure that there was not undue inventory profit, that the lower priced crude was allowed to flow through before they were allowed to start charging the consumers on the basis of \$8 crude.

**Mr. Wildman:** All right. Then I would like to turn to the other side of the question which is the effects of that. We talked a little bit about the effects of that on other areas of manufacturing and so on, but I would like to know what studies you have done of the effect of this increased energy cost on agriculture in Ontario? And following that through, what are the effects on food costs to the consumer?



**Hon. Mr. Timbrell:** Do you have anything with you, Jim, specifically broken down according to the agricultural industry?

**Mr. Thacker:** No, I don't know of any studies that we have done in this government.

**Hon. Mr. Timbrell:** I would say again that what we presented in assisting the government to arrive at its position to oppose the increases was the overall impact, not broken down by sectors. However, as I mentioned, TEIGA did do a study specifically of the gas industry, mainly because if they don't have natural gas they don't produce—they have to have it.

**Mr. Thacker:** In answer to the question I know of no analysis done within Ontario by an Ontario ministry of the impact on agriculture. I understand that Beryl Plump-true did an analysis on the cost of food.

Coming back to the earlier answer I gave, we did estimate the impact on the consumer price index, but again at an aggregate level. To put this in perspective I think it might be worth saying that it is really a massive job to analyse an individual product, a detailed sector of the economy, for the effect of these price increases. It's really an extremely large job. It can be done, though.

**Mr. Wildman:** The reason I am concerned about that is that agriculture in general has suffered a tremendous loss, in many cases, as a result of the increase in energy costs. In the north where agriculture is a more risky business in the first place, the increase in costs—when energy costs were higher in the first place—is even more serious. It's made agriculture a less viable occupation in the north than it was before.

If not your ministry perhaps Treasury should be involved in that kind of study to determine what effect it's having on different sectors of the economy, agriculture especially, because of its impact on consumer prices. If you feel that is too wide, if it's not in your terms of reference, would you consider it in the terms of reference of the Treasury? Would the government consider that kind of study?

**Hon. Mr. Timbrell:** As I've said, we've done the broad calculations and we've been able to show impact on the CPI; the impact we foresaw on job creation; impact in terms of—

**Mr. Thacker:** Exports, economic growth.

**Hon. Mr. Timbrell:** —economic growth, also exports. We did not break it down by individual sector.

Perhaps you weren't here the other afternoon when I was talking about it but in the energy management programme we do have a number of projects which are working on various energy-intensive activities in the farming industry, one being greenhouse operations. If I remember the figures correctly—and my staff will correct me if I'm wrong—it is something in the order of two gallons of fuel for every pound of produce produced in greenhouses. It's a very intensive use of energy. We have that project under way to try to find less energy-intensive ways to maintain the greenhouse industry.

We have studies under way, through Agriculture and Food, on corn drying. Again it's very intensive, especially using natural gas. I guess the same would apply to tobacco as well, Mr. Spence.

We're not ignoring the problem. We are trying to work with the agricultural community to bring down their costs.

**Mr. Wildman:** Obviously, the costs don't just rise in the direct sense when a farmer is using oil or gasoline—

**Hon. Mr. Timbrell:** And propane.

**Mr. Wildman:** Or propane or diesel fuel or whatever the case. Costs also increase because of the tremendous increase in transportation costs, especially for the north. Every time a farmer buys a piece of machinery its cost is going up because of the transportation costs. I think it's very important that these kinds of programmes be co-ordinated either with Treasury or Agriculture and Food, and that the effects on the overall agricultural industry be brought into account. That's the only thing I had to say.

**Hon. Mr. Timbrell:** I agree. We will be sitting down on Dec. 12 to talk about pricing again. I would think we will be talking in terms of broad brush strokes on the overall effects on the province, not by sector, but the overall effects.

Another one of our big industries which you haven't touched on and which is bound to feel the impact of these higher energy prices is our tourist industry. It's the second largest in the province now in terms of dollars taken in over the period of one year.

**Mr. Wildman:** Perhaps if we lower the speed limit it might lower the consumption of gasoline.



Hon. Mr. Timbrell: We'll see.

Mr. Makarchuk: You are working on that, are you? In the fullness of time?

Hon. Mr. Timbrell: You might make an argument, as we did, that the higher our energy prices in relation to our major market, which is the United States, the more we're hurting our export potential. If you want to start breaking it down, it all adds up to the same picture.

Mr. Spence: The minister might have touched on this in his opening remarks with regard to the policy about exploration for gas and oil in the province. If I understand it correctly, we only supply a small amount of crude oil or gas from the Province of Ontario, but we do have pockets here and there across the province which produce what we, as laymen, think is quite a bit of crude oil. We find in some of the pockets where they produce oil, that gas is being burnt 24 hours a day, 12 months a year, year in and year out.

Hon. Mr. Timbrell: Do you mean being flared?

Mr. Spence: Yes, or in ponds where the gas is run off. It is of concern to a lot of people to see this flame or flare burning 24 hours a day, 12 months a year, year in and year out. People have brought to my attention many times that this is energy being wasted. There is one area where there is a pipeline right to it and some say that this gas lowers the heat content, or if it is mixed with the other gas, it lowers the heat.

Mr. Gaunt: Btu.

Hon. Mr. Timbrell: Heat value.

Mr. Spence: Yes, yet that flame burns year in and year out.

Hon. Mr. Timbrell: I'd like Mr. MacOdrum to comment on that. I don't know. It may be lower quality gas. It has to be 950 Btu per thousand cubic feet to go into the stream.

Mr. MacOdrum: First of all, I should say that in the Province of Ontario operation of reservoirs of oil and gas is supervised by the petroleum resources section of the Ministry of Natural Resources. They are the people who have the day to day and hour to hour responsibility for the monitoring of reservoir practices and field practices. The reasons why gas is being flared out of the particular reservoir in Ontario would be determined by, or in consultation with, that ministry.

Some of the reasons why it might be flared is because of the quantity that is being pro-

duced with the oil. That is, the gas might be in solution with the oil and a very small quantity of it is being produced and it is not economic to tie in with a pipeline and it is not economic to install compressors to inject it into the reservoir. The producer would do an economic analysis and that would change as the pricing parameters of his product changed and perhaps with the rapid field price movement of natural gas in Ontario some of these considerations will change.

The second reason why a producer might not sell gas into a trunk pipeline, the one that is going right by this field, is that the pressure of the gas coming out of the field is very low compared to the operating pressure of the pipeline and therefore he has to compress that gas up to that pressure by the addition of a field compressor. Again, the quantity of the gas and the low pressure compared to the trunk line mean you might use all your gas up as fuel to fuel your compressor, which wouldn't really be very sensible economics. You wouldn't have anything left to put in the trunk pipeline.

Those are the various considerations that might cause gas to be flared in field operations in Ontario, but I am sure that if there are any specific instances that give you concern, we could certainly see that they are raised with the Ministry of Natural Resources petroleum resources section.

[5:00]

Mr. Spence: There is a field of oil in the county of Elgin in the township of Dunwich where the flame burns year round, year after year. We understand gas is used to make nitrogen for fertilizer; and it is a concern. It has been brought to my attention many times. I wonder what programme you have to encourage drillers to locate or explore for gas and oil in the Province of Ontario; or have you a policy?

Hon. Mr. Timbrell: Mr. MacOdrum indicated that it is the Ministry of Natural Resources which deals with exploration in the province, basically. But two things make exploration in Ontario rather attractive. One is that prices paid to producers have been on a very definite and considerable upward trend; second, royalties in Ontario are considerably lower than in other provinces. And, of course, if it is on freehold land, there is no royalty. So there is considerable interest.

We hear from time to time from individuals or firms that are interested in exploring Ontario. During my first month or two in the ministry I heard from a number who thought they had found the mother lode—if we would

only finance the whole thing at no risk to them, they'd go ahead. But we haven't got into that sort of thing.

I think the combination of price and royalty in Ontario is quite an encouragement. As you know, first of all, half of the gas produced in the province comes from Lake Erie.

**Mr. Spence:** That's right.

**Hon. Mr. Timbrell:** But as you know, no exploration is allowed west of the Pelee line.

**Mr. Spence:** Not in Lake Erie?

**Hon. Mr. Timbrell:** West of the Pelee line. East of Pelee line is where the exploration is.

**Mr. Spence:** If you look at the map of Lake Erie, out to the international boundary line, all the lake bottom is leased. And there is gas coming off from wells in Lake Erie. It often makes me wonder, why do they keep leasing this property, or do they get these leases at a very low rate?

**Mr. MacOdrum:** You are talking about west of the Pelee line?

**Mr. Spence:** East.

**Mr. MacOdrum:** East of the Pelee line they can drill for natural gas. If they find oil or an oil show in the gas, they have to cap it. But if they find gas, associated gas, they can produce the gas.

**Mr. Spence:** Is any drilling going in Lake Erie now?

**Mr. MacOdrum:** Over half the gas we do get in Ontario does come from Lake Erie.

**Mr. Spence:** That is why all the ground is leased—the bottom of the Lake?

**Mr. MacOdrum:** That's right.

**Mr. Spence:** But out to the international boundary line is the opposite, is that right?

**Mr. MacOdrum:** That is right.

**Mr. Spence:** Why doesn't the United States allow leasing?

**Mr. MacOdrum:** The terms and conditions of the exploitation of all of the international boundary line is subject to the International Joint Commission. I believe that, from time to time, the authorities in Michigan, for example, have looked at the possibility of drilling in the waters contiguous to that state. Why they haven't and why, for example, the southern half of Lake Erie hasn't been drilled may be a matter of state and national politics in

the United States—this relation of one state to another and their relationship to the International Joint Commission.

**Mr. Chairman:** Mr. Makarchuk.

**Mr. Makarchuk:** Yes, I just want to pursue the Lake Erie drilling. One of the problems you have on the lake is that somebody hooks a net into the well and rips it off. It sits there and spouts—sometimes in quite a spectacular display—the escaping energy of Ontario; and nothing is done about it.

Do you have regulations to the effect that they are supposed to get around to fixing it up? What are the regulations for having some fairly fast response to these problems? And they do occur, not that regularly but you will have three or four, maybe five, wells a year that are ripped up—the candle or the fir tree or whatever they call the thing that sits on the bottom of the lake is torn up.

The other point, of course, is that they are not that well marked. Again, I think the gas companies are rather remiss about marking the places and if you do some boating up there, as I'm sure some of us have done, you find there may be a stake floating and there may not. The fishermen, particularly, are the ones who find that the wells are not marked in most cases where they do run into these problems.

What are you doing in this respect to ensure a response to the leaks or when there is a break or tearoff at the wellhead? The other thing is that better marking facilities are needed on lakes for these wells.

**Hon. Mr. Timbrell:** Do you want to comment on that please?

**Mr. MacOdrum:** The responsibility is with the Ministry of Natural Resources. We don't monitor the production practices on the lake. The Ministry of Natural Resources, through its field offices and through its Toronto offices, is continually monitoring that. I'm sure that they have policies in relation to that. We'd be delighted to take them up with them, but that is not an area where we are responsible.

**Mr. Makarchuk:** That's not your responsibility?

**Hon. Mr. Timbrell:** It's one that I must say hasn't been presented to me before, but we will follow up on it.

**Mr. Makarchuk:** There was a mention earlier about the people approaching you for exploration, and there are possibilities



and there have been some sort of minimal explorations in the James Bay-Hudson Bay area. Is the government of Ontario prepared, in some of these cases where there is a reasonable chance in these things, to enter into some kind of an equity arrangement with private capital, something similar to what Panarctic operates under those bases, to go ahead and seek out some new energy sources? Do you have some ideas about the potential in some of these areas north of Moosonee?

**Hon. Mr. Timbrell:** We do have in place the Ontario Energy Corp. which is involved in two projects—this is really under another vote later on—in the Syncrude project and the Polar Gas project. At this point we don't contemplate any further commitments of the corporation for some time. As I say, we are receptive to and open to talking to people who have projects in mind and we try to keep them in touch with, particularly, Natural Resources, who have the authority in this area when you start getting into exploration in Ontario.

**Mr. Makarchuk:** Surely one of your responsibilities is the supply of energy for Ontario? That is an area that you should be quite involved in and quite concerned about. How about the other possibility of perhaps accepting the socialist hordes in Saskatchewan and joining with them in a development of their tar sands or something of this nature; some type of joint ventures in developing existing Canadian energy sources? Is the province prepared to move in that direction?

**Hon. Mr. Timbrell:** We are involved—

**Mr. Makarchuk:** You are involved in Syncrude.

**Hon. Mr. Timbrell:** —in one project, and we are involved in the Polar Gas project too, which is to bring about the design and routing of a pipeline to bring natural gas from the eastern Arctic islands. We have never been approached by Saskatchewan. They have a new minister out there who I will meet for the first time in a few weeks; if he wants to discuss it, sure.

**Mr. Makarchuk:** Why don't you make the approach? What's wrong with that? They are not as uptight about energy as much as we are and perhaps we should be making some of those approaches.

**Hon. Mr. Timbrell:** I'm sorry—they are not?

**Mr. Makarchuk:** They are not having the problems that we are.

**Hon. Mr. Timbrell:** Then why have they asked to take 750 billion cubic feet of gas out of Alberta when they've got gas sitting capped in Saskatchewan?

**Mr. Makarchuk:** Why not? They at least have some oil coming in. They get about \$75 million a year from oil. In that sense, I think they are in a slightly better position than we are.

**Hon. Mr. Timbrell:** In terms of production, yes; they have production that we don't.

**Mr. Makarchuk:** Right, but surely this is the kind of thing that you should be doing right now. These are the kind of options or alternatives that you should be exploring, in terms of trying to alleviate the problem with energy and at the same time not leave yourself at the mercy of the oil companies and the government of Alberta. Despite your denial of the fact that Getty is pressuring you to let the gas prices float and then you will get natural gas. I still think that he is quite serious. I think there was a second report on that in yesterday's or the day before's Globe—

**Hon. Mr. Timbrell:** Saturday's.

**Mr. Makarchuk:** —to that effect. I haven't seen anything from your government. You've stated here you are prepared to make, or have made, representation either to him or to somebody to the effect that: "We'll run our resources in Ontario. You take care of things in Alberta."

**Hon. Mr. Timbrell:** What I said was that we will formulate policy for Ontario. He can formulate policy for Alberta within the confines of his constitutional jurisdiction. We're not about to be bullied, if you will, into making a decision one way or the other because of what he wants to do. He can make his policies; we'll make ours.

**Mr. Makarchuk:** Let me assure you, Mr. Minister, it's a lot easier for you to formulate policy if you've got alternative supplies. At this time it is not very simple—

**Hon. Mr. Timbrell:** I have said time and time again that we import into Ontario 80 per cent of our energy. That is a known fact; 95 per cent of our coal comes from the States; 99 per cent of our oil and gas comes from western Canada—well, 95 per cent, and some comes from the States. Some oil for eastern



Ontario comes from offshore. We are not an energy-rich province.

**Mr. Makarchuk:** I don't think anybody questions that. The point is that your response to the fact that you're not an energy-rich province has been very weak.

**Hon. Mr. Timbrell:** I don't really know how you've made that case.

**Mr. Makarchuk:** I would make the case on the basis that you've not examined the options available—or possibly available, at least. You haven't really examined that in terms of the ones I have stated. In terms of exploration, you are limited. You got sort of sucked in on the Syncrude deal.

**Hon. Mr. Timbrell:** Oh, did we?

**Mr. Makarchuk:** I think you did, yes. I think the federal government did as well. But you really haven't taken the initiative on your own behalf or on behalf of the people of Ontario to go out there and see what the heck we can do in terms of expanded exploration in areas in Ontario where there may or may not be, but shall we say there is, some possibility that there may be some gas deposits.

**Hon. Mr. Timbrell:** We have a certain amount of money for that—

**Mr. Makarchuk:** You certainly haven't approached other provinces in some joint ventures perhaps, in terms of developing new resources.

**Hon. Mr. Timbrell:** Just a moment. Our involvement in the Syncrude project is the result of a request that went out from the then Minister of Energy and Natural Resources of Alberta (Mr. Dickie) to all provinces, to consider participation in the Syncrude project. We are involved, as I mentioned, in the Polar Gas project. I understand the government of Manitoba is also considering involvement in that project although they may have—

**Interjection:** And Quebec.

**Hon. Mr. Timbrell:** And Quebec, yes—so that we are working with other governments. Panarctic, of course, is the major explorer in the eastern Arctic area which will be served by the Polar Gas pipeline. That's 45 per cent government, through the federal government. We have an amount of money available to us and we have committed it. If Treasury allows money to be freed up then there are other things we can get into. I really don't think it's fair to say that we haven't given due

consideration to alternatives, particularly to the frontier areas.

Within Ontario itself, I indicated that the royalty and the prices which the producers are receiving, which is a big improvement over previous years, is an inducement for them to explore and there is considerable exploration going on. Natural Resources has done work in the north—a drilling programme related to the lignite deposits—and we are exploring potential uses of that energy source. We have launched work into solar energy and wind energy and into a number of other areas. I really don't think that the facts support your statement, sir.

**Mr. Makarchuk:** I think what you seem to ignore, Mr. Minister, is the fact that on every one of these, with the possible exception of solar energy or something like that, you've been reacting.

Really, Ontario has not gone out and said: "Okay, let's hustle and see what we can do in trying to get new energy sources or new energy supplies." In most cases, you've been reacting. Syncrude was not your idea, even the bad deal that it was. You're not really going out looking, and asking people: "Let's start exploring new areas" and encouraging them. I would hope that you would go into some equity position with these people.

**Hon. Mr. Timbrell:** The one area where this province, together with the federal government, has pioneered and has made a significant contribution to the development of a new energy source for this country is in the area of the Candu reactor. In 1967, when the decision was taken to build the system, there were a lot of critics who said it was a risky financial business compared to the costs at that time of producing electricity from other sources. It has turned out to be a decision very much to the benefit of the people of Ontario when you compare the costs.

**Mr. Makarchuk:** I don't argue that there is some question as to, shall we say, the environmental problems. I haven't argued with you about Candu; in fact, the last time I was here I supported the idea myself. But, again, you're not answering my question. What I'm saying is that the province has not taken that kind of strong initiative to try to find alternative supplies of fuel, particularly natural gas and so on. The options are open; what you've done has been more or less as a reaction to the measures taken by other agencies or other governments. It's been on an invitation basis.

**Hon. Mr. Timbrell:** If there hadn't been the problem, if Alberta hadn't sort of put out the call and said "Look, this project is in danger of folding," we probably wouldn't have been involved. But once it became clear that it was in danger of folding, and given our feeling that the continued development of the tar sands is important to the future of energy supplies in all of Canada, but particularly in our own province, which is the largest consumer of energy in the country, then we were the first to step forward.

With Polar Gas, we wanted to ensure that this project was kept going and that we were involved, because two of the potential three routes come through Ontario; we wanted to be involved in that process and we stepped forward. I imagine we'll have to agree to disagree, but again I would have to say that I don't think the facts support that kind of a charge.

**Mr. Makarchuk:** In terms of the tar sands, there is new technology brought on stream more or less almost every second day by somebody. In many cases, they are perhaps fly-by-night operations, but in other cases they are quite serious. Wouldn't it be sensible at this time for the government of Ontario not to depend on Syncrude alone, but perhaps to try examining other ways, other means, other firms, other agencies that might be involved in operating and developing another tar sands project? Isn't this the kind of thing that should be an ongoing practice of your department?

**Hon. Mr. Timbrell:** We do sit down with a number of firms from time to time to discuss various forms of projects. For instance, we have assisted in getting the Luscar coal project in the Province of Alberta to the point that it is, Ontario Hydro was negotiating for a number of years to try to get that approved and quietly but I think effectively, if I may say so, I assisted in discussions with the appropriate ministers of the Alberta government to get that going.

We have examined a number of proposals that people have come forward with in relation to the energy corporation. To date, based on the expertise in our own ministry and advice from people in Natural Resources, none of the projects appeared to us to be ones that we should risk public money in. We are receptive but, like everybody else, we do have constraints on spending; there is only so much to go around.

**Mr. Makarchuk:** Have you considered the idea of a coal gasification plant?

**Hon. Mr. Timbrell:** In the last year, TransCanada PipeLines sought approval for a gasification project, which was turned down by the National Energy Board. We supported it at that time and we have urged TransCanada to apply again. We think it is important to—

**Mr. Makarchuk:** But you are following the developments in other countries regarding this matter and do you have a fair amount of expertise available in your department that can give you some reasonable input into your actions?

**Hon. Mr. Timbrell:** Yes.

**Mr. Makarchuk:** Okay, fine. Right now, in terms of pricing of gasoline, at what stage are you prepared to intervene again should the prices continue to climb?

**Hon. Mr. Timbrell:** I have indicated that we will give it a couple of weeks and depending on the complaints we get and the success we have with those complaints, we would make an evaluation at that time and make a decision.

**Mr. Makarchuk:** In other words, you are prepared to state more or less categorically this time that, regardless of the wage and price guidelines, if the Province of Ontario feels the price of gas is going up beyond reason—what you consider beyond reason not, perhaps, what I consider beyond reason—you are prepared to move or will be prepared to move and put on another freeze. Is that right?

**Hon. Mr. Timbrell:** I have said that.

**Mr. Makarchuk:** We just want to make sure and get it on the record.

**Hon. Mr. Timbrell:** It is on the record all over the place.

**Mr. Makarchuk:** That is not what they say up there where they have to buy it; where they are paying \$1 a gallon.

**Hon. Mr. Timbrell:** Who is paying \$1 a gallon?

**Mr. Makarchuk:** There are people in Red Lake today.

**Hon. Mr. Timbrell:** That is a problem the royal commission will address at the time it finalizes its report at the end of February. It has been told specifically that we want to know the commissioners views on the price differentials. I know how serious a problem it is but it is not just a problem there. The



wide variance in prices is a problem in all parts of the province.

**Mr. Makarchuk:** At what stage are you going to be prepared to intervene? In terms of cents per gallon for fuel, heating oil and gasoline, would you be able to give that kind of figure right now?

**Hon. Mr. Timbrell:** No. It depends, as I said, on how widespread it is. It depends on the degree of success we have with the individual retailers or the distributors in getting them to role back the prices if they are more than 5.4 cents or 4.8 cents above the June 24 prices.

**Mr. Makarchuk:** But, surely, when you say how widespread it is you represent all the people of Ontario. Does that mean if we in Toronto or I in Brantford can buy gas at 75 cents a gallon because it is not widespread, the people in Red Lake or other places in Ontario should be forced to pay a much higher price? Are you not prepared to intervene there?

**Hon. Mr. Timbrell:** I haven't said that.

**Mr. Makarchuk:** Your statement was it would have to be widespread before you would intervene.

**Hon. Mr. Timbrell:** All right. It is a philosophical difference, I guess, between you and me.

**Mr. Makarchuk:** I should hope so.

**Hon. Mr. Timbrell:** I believe in the less government the better. If we can effect this form of control without having to put a whole regulatory process in place when we haven't even got the final report of the commissioner, all well and good. If we can't, if either the oil companies or the distributors on a wide scale basis don't co-operate, all right, we will act. But I want to give them the chance.

**Mr. Makarchuk:** You must admit at this time there is a spread of at least 25 cents in terms of gas prices between parts of Ontario. There is. There is a 25 cent spread.

**Mr. Lewis:** It is more than that. It is 30 cents or 32 cents based on the cheap gas you can buy in some parts of Metro compared with what they are paying in Red Lake.

**Mr. Makarchuk:** That's right.

**Hon. Mr. Timbrell:** It's 68.9 cents.

**Mr. Makarchuk:** It is \$1 in Red Lake.

**Mr. Lewis:** That is 32 cents. That is the problem with you people, you could never add and that is why the oil companies get away with murder. That is a great difficulty you have. It is a serious handicap. You have a computer sitting in front of Mr. P. F. Cunningham and you still can't subtract 68.9 from 100. You are impossible.

**Hon. Mr. Timbrell:** I am reminded of an expression I used to use when I was teaching but I will save it for later. I'm sure you'll need it.

**Mr. Makarchuk:** At this time there is that kind of a spread in Ontario.

**Hon. Mr. Timbrell:** We recognize that and have told—

**Mr. Makarchuk:** Okay, now that we have given you the figures you finally recognize it; I am glad you recognize it. It is 32 cents; I thought it was 25 cents.

**Hon. Mr. Timbrell:** I didn't know you fellows invented mathematics as well.

**Mr. Makarchuk:** Now that you recognize it, can we get some commitment from you to the effect that you recognize there is a spread of 32 cents and you are going to find out why there is a spread of 32 cents? Surely it doesn't cost 32 cents to ship a gallon of fuel oil or gasoline from wherever the refinery point is closest to the northern areas. There is no reason for that cost. You are waiting for the commission to report, eventually, sometime perhaps; but perhaps until that report comes it would be a very sensible thing to go up there and say: "Look, it is time you cut the prices back." As somebody else said instead of freezing the people, you should try to take care of freezing the prices.

**Hon. Mr. Timbrell:** Are you finished?

**Mr. Makarchuk:** For a while.

**Hon. Mr. Timbrell:** I think we should deal with the problem province-wide. That is what we are doing with the royal commission. The commissioner has been specifically asked to comment to the government in his final report—which we have told him we want by the end of February, in three-and-a-half months—on the question of price differentials. We are particularly interested in the differential between northern and southern Ontario, but I would say our concern is for all of the province. You can drive around your leader's riding or you can drive around



mine, which is just to the west of it, and you will find a spread of approximately 15, 17, 18 cents in our ridings.

**Mr. Wildman:** It is no better there than it is up north.

**Hon. Mr. Timbrell:** The commissioner will find out, but one suspects part of it is due to the margin used by the dealers; the volume at the pump in relation to the margin, how much they have to charge to—

**Mr. Foulds:** You are already looking for excuses.

**Hon. Mr. Timbrell:** I am not looking for excuses. I am trying to answer the question.

**Mr. Foulds:** Just the questions you are asking—

**Hon. Mr. Timbrell:** If you would go and talk to somebody in Thunder Bay, as I have talked to some of the dealers in my area, you will find some have a 12-cent margin and some have an eight-cent margin, just a block apart in Don Mills. The same would be true in Scarborough West. But what else is there? That's only one part of it. One suspects there has to be more to it, and that's what we have asked the royal commission to find out.

**Mr. Makarchuk:** Finally you are going to start looking into this situation. Even in cases where you have this 15-cent spread and are working on the very logical assumption that oil companies have never given anything away, if one gas station can sell gas at 75 cents it would bring into question why somebody else should be charging 89 cents for the same gas five or seven miles down the road.

I think those are the kinds of things on which you should be able to sit back and come up with all these answers and say; well, they are this and this.

**Hon. Mr. Timbrell:** This will all—

**Mr. Makarchuk:** Whether the dealer has his own station, whether there is some other deal; this is the kind of stuff you should have at your fingertips. This is the kind of information you should have had a long time ago.

**Hon. Mr. Timbrell:** And somebody should have found a cure for the common cold.

**Mr. Makarchuk:** I remember talking about this five or six years ago. In fact I put it on the record; when we asked your predecessor about the energy supplies for Ontario five

years ago he said we had nothing to worry about.

**Hon. Mr. Timbrell:** My predecessor five years ago was the Minister of Municipal Affairs. I don't know what he had to do with energy.

**Mr. Makarchuk:** He was talking about it at that time.

**Hon. Mr. Timbrell:** I would like to see chapter and verse on that.

**Mr. Makarchuk:** I will get you chapter and verse.

**Hon. Mr. Timbrell:** Let me just say—

**Mr. Makarchuk:** The other point I would like to—

**Hon. Mr. Timbrell:** No, please, just a minute. You go off like a Gatling gun.

There are elements, obviously, the commission will have to get into. What effect, for instance, has the conversion to self-serve at some stations? What effect has the operation of an independent station? What effect do such things as consignment of tankloads of gas to stations have? What is the effect of some of the marketing arrangements between the oil companies and their operators? In some stations the oil company will operate the gas sale segment and guarantee a certain return to the station operator, and he operates the repair shop or the carwash, or both or whatever. What effect does that have?

There are a number of things that have to be looked into by the royal commissioner to present a complete enough picture of the marketing of petroleum products so that we can address ourselves to this question of price differentials.

**Mr. Makarchuk:** You will also examine the statements made by the oil companies—particularly the one made by Imperial in Nova Scotia that the price they charge has really no relation to the market.

**Hon. Mr. Timbrell:** I understand that was made and—

**Mr. Makarchuk:** And you will examine that, I presume?

**Hon. Mr. Timbrell:** The whole retail end of it.

**Mr. Makarchuk:** Fine, that's very good. We will be looking forward to it and we will be looking for results on that.

In one of your statements you said you were involved in a joint exploration venture, seeking uranium; is that correct?

**Hon. Mr. Timbrell:** The government is not, Hydro is.  
[5:30]

**Mr. Makarchuk:** Are you prepared to take an equity position with the firms, should any discoveries be made in these joint exploration ventures; or is that the agreement you have in existence right now?

**Hon. Mr. Timbrell:** Hydro is involved in two projects, one with Shell and one with Amok—in northern Ontario, northern Saskatchewan and the Northwest Territories. Do you want to comment on the two exploration projects Peter; or Albert? Would Mr. Stortchak tell Mr. Makarchuk some of the details of these two projects?

**Mr. Stortchak:** Your question was—

**Mr. Makarchuk:** Are you taking any kind of an equity position, or is the agreement that you have with the private companies such that if you make any discoveries, Ontario will have some equity in the development of the project?

**Mr. Stortchak:** Ontario as a participating—

**Mr. Makarchuk:** As Ontario Hydro or whatever it is.

**Mr. Stortchak:** Ontario Hydro does have the right to put in equity and to get a proportional amount of the output in return for that.

**Hon. Mr. Timbrell:** If I remember the details, first of all they have the proportion that relates to their proportion of the cost of the project—but they also have first call, do they not, on the other production?

**Mr. Stortchak:** They do. In the case of Shell they have first call on all of Shell's share of the production. And in the case of Amok they have the right of call on whatever Amok cannot export, or does not have the right to export.

**Mr. Makarchuk:** What I want to know will you have any interest in the company? In other words, Shell will form some kind of a company that will be developing that area—

**Mr. Stortchak:** We don't, but Ontario Hydro does.

**Mr. Makarchuk:** In other words, Ontario Hydro will own so much equity, share stock in the project—is that correct?

**Mr. Stortchak:** Should a strike be made, they will have the right to put up the equity.

**Mr. Makarchuk:** That's right; and they will have a first claim on the minerals, on the uranium. But that does not necessarily mean that they will have a right on the profits, is that what you're saying?

**Hon. Mr. Timbrell:** Oh, yes. They're participants in the two projects with the respective companies.

**Mr. Makarchuk:** I agree they are participants, but what kind of participants are they? As far as I understand—and I notice some people over there shaking their heads saying "no"—they're participants in terms of having some rights to the output. What I wonder is are they participants in terms of the profits of the operation?

**Mr. Scott:** What has happened here is that Hydro has not invested in the company to do the exploring per se. It's not an equity investment in that sense, but it's an equity investment in every other sense of the word. I think Mr. Stortchak is describing it quite accurately.

**Mr. Makarchuk:** What you've done, if I read you correctly then, is that you've given these people some type of contract that you will buy their output, saying: "Go ahead and explore for it, and we will buy it from you at a certain price." Is that what you've done?

**Hon. Mr. Timbrell:** I don't believe there has been any discussion on the price per ton.

**Mr. Scott:** I think that's right; but essentially it's an agreement whereby we get supply rather than a share in profit.

**Mr. Makarchuk:** I'm sorry, did you say there will be a share in the profits or there will not be a share in the profits?

**Mr. Scott:** I think there will be. There will be a share in the fruits of the venture, but it will be through obtaining a supply of the product per se, rather than an investment in the company that's doing it.

**Hon. Mr. Timbrell:** Part of the problem goes back to—and we showed this on Thursday night—the supply-demand situation on uranium; and we showed it for all types of fuel. By the mid-1980s the known reserves of uranium in the country will have been committed either to domestic reactors or to

the exports which the federal government has approved. This is why we've been concerned about it. I think Hydro considered about 30 different projects, and decided to involve itself with these two to find more uranium. Otherwise, down the road, we're going to be into a serious supply problem.

**Mr. Makarchuk:** I'm glad they're taking the initiative, and I appreciate your concern about future demands. I suppose you have made your representations to the federal government about exports, but it seems to me that if you're going to be involved, and I think you're making a financial commitment and perhaps you could even make a financial commitment in straight taking on the costs of exploration and development, surely wouldn't it be sensible for you to take an equity position in the company in that case?

**Hon. Mr. Timbrell:** In Shell?

**Mr. Makarchuk:** Yes, in Shell, that's not a bad start, as a matter of fact.

**Hon. Mr. Timbrell:** Or Amok. I think the point here is that with the discoveries that they have made at Baker Lake in the Territories and—

**Mr. Stortchak:** Cluff Lake.

**Hon. Mr. Timbrell:** The point is that these two projects show the best potential for future supplies of uranium and the terms appear to be satisfactory for Ontario Hydro.

**Mr. Makarchuk:** Well, that's not what I'm asking you. I'm asking why isn't the government—

**Hon. Mr. Timbrell:** I think you mean to buy part of Shell.

**Mr. Makarchuk:** That's right. Why do you not have an interest in that operation because in a sense the only reason Shell was probably exploring up there is the fact that it has a guaranteed market? In fact, these days I think anybody who finds uranium has a guaranteed market, regardless of whether it's supported by Hydro or not. The point in this case seems to be that it's only reasonable that if the people of Ontario are going to be behind this project, and they are directly and indirectly, then they should have an interest in the project.

**Hon. Mr. Timbrell:** I think the point has been made that they do have an interest in the project. They don't have an equity in Shell or Amok but they do in these projects.

**Mr. Lewis:** Excuse me, what exactly are you saying? I'm a little bewildered too. Are

you saying simply that Ontario Hydro has entered into a relationship with Shell and Amok that Ontario Hydro will purchase a certain volume of uranium ore, that it's as simple as that?

**Mr. Stortchak:** No. Whatever equity Ontario Hydro puts up, whether it's a third or a half—

**Mr. Lewis:** Equity of what kind?

**Mr. Stortchak:** In the joint venture exploration programme. If, let's say, it was \$10 million or whatever the figure is and they put up \$5 million, then in Shell's case they have the right to 50 per cent of the resulting production.

**Mr. Lewis:** I see. And do we know how much Ontario Hydro has determined it will provide for the exploration?

**Mr. Stortchak:** Yes.

**Mr. Lewis:** Can you tell us that?

**Mr. Stortchak:** In the case of Amok, it's a shared \$3.5 million, I believe.

**Hon. Mr. Timbrell:** It's \$2.5 million.

**Mr. Lewis:** Hydro is putting in \$2.5 million?

**Mr. Stortchak:** No, that's the total.

**Mr. Lewis:** The total exploration is \$2.5 million of which Ontario Hydro is putting in \$1.25 million.

**Mr. Stortchak:** No, 50 per cent with Shell and it's one-third equity with Amok.

**Mr. Lewis:** So they are entitled to a third of the production of anything that is discovered.

**Mr. Stortchak:** Yes.

**Mr. Lewis:** And hence produced.

**Mr. Stortchak:** Yes.

**Hon. Mr. Timbrell:** And preferred access to the rest.

**Mr. Lewis:** And preferred access to the remainder.

**Mr. Makarchuk:** They don't pay for that?

**An hon. member:** Oh sure they do.

**Mr. Lewis:** Suppose it's \$2.5 million in the case of Shell—

**Mrs. Bryden:** It is \$7 million with Shell.



**Mr. Lewis:** It's \$7 million in total with Shell, of which we have put up 50 per cent.

**Hon. Mr. Timbrell:** The Shell project is a joint expenditure for a total of \$7 million.

**Mr. Lewis:** Right, and is that \$3.5 million each?

**Hon. Mr. Timbrell:** That is my understanding. It is \$3.5 million each, yes.

**Mr. Lewis:** And if we put in \$3.5 million and Shell discovers a uranium ore body which brings them several hundreds of millions of dollars of profit over a period of—I should be asking you this—several years, we are entitled to purchase half of the processed ore, but even though we paid for half of the exploration, we share in none of that profit. In fact, we create the profit by purchasing the supply. That's what I'm hearing.

**Mr. Scott:** I think we could get a summary of the provisions of the agreement, but certainly my understanding of it is not as Mr. Lewis has just stated it. We get a share in the fruits of the venture and I don't think, having put up half the exploration dollars, that we then have to pay money in addition. I think we'll have to go back and look at our documents.

**Hon. Mr. Timbrell:** I must say I don't have enough information here to answer in full detail, but I'll get more detail.

**Mr. Lewis:** I am interested in Mr. Makarchuk's line of questions, because, as I have heard it, we share the capital requirements for exploration. If there is a strike we have therefore rights to an equivalent percentage of the processed ore and a preferred option on the remainder, if it is not more than that. It strikes me peculiar indeed that the Ministry of Energy, involved in supervising Hydro, shouldn't know the terms of the contract and have its implications at their fingertips. But I leave that aside if we don't know that at the moment.

What I'm hearing you say is that the Province of Ontario will put up a fairly substantial sum of money to join with Shell and Amok in the Exploration for uranium ore bodies and that we will then ultimately pay for the purchase of the ore. I'm sure we won't get half of it gratis, or if you've entered into that agreement I'd like to know about it. And we are not sharing in the profits, which could be immense, looking at the balance sheets, say, of Denison or Rio Algom. So the intricacies of the contract are really important.

**Hon. Mr. Timbrell:** We will get more of the details.

**Mr. Lewis:** Hydro is so frantic for supply, I guess, is what we are saying, that they are prepared to invest this kind of money in exploration and purchasing—

**Hon. Mr. Timbrell:** No, from our own assessment and talking with the federal government about this for some time. As soon as I came into the ministry, one of the first things was a review of the uranium supply-and-demand situation. It was obvious that something had to be done. We've talked to the federal government about the export situation, the kind of exports that they've been approving. We had some representatives of exploration projects approach the government, which we weren't in a position to involve ourselves in. When Hydro indicated an interest in going ahead with some joint ventures on exploration, given our concern about future supplies—

**Mr. Lewis:** Oh, I understand. You Tories, though, should listen to the pleas of Stephen Roman and simply take into public ownership Denison and Rio Algom, have a secured source of supply, make a profit, safeguard the health and safety of the workers and enter into a public venture which would make sense. You'd sure as hell have it a lot easier doing it that way than paying public money for the creation of a resource which will benefit the private coffers of Shell and Amok. It is a most peculiar approach to public funds.

**Hon. Mr. Timbrell:** If there were enough funds in the Treasury, perhaps it might be considered. But totally aside from philosophical considerations about nationalization—

**Mr. Lewis:** You can pay them off through the profits you make. Let them wait.

**Mr. Chairman:** Order, please. Mr. Foulds was next on the list unless Mr. Foulds wishes to—

**Mr. Lewis:** When do we get the contract?

**Mr. Makarchuk:** I have not finished.

**Hon. Mr. Timbrell:** We will get you the details. I apologize for not having them all here.

**Mr. Makarchuk:** The estimates will be there. You will have them tomorrow.

**Hon. Mr. Timbrell:** We are on tomorrow afternoon at any rate.

**Mr. Makarchuk:** So we will have the figures in that case. While we are dealing with uranium and lignite in the northern Ontario part of it: Are you considering the development of that project of Hydro? Are you considering developing that project in some joint venture as well? Or would you consider that if it should become feasible? Or is your intent to let that project get away out of your hands as well?

**Hon. Mr. Timbrell:** At this point, what we are trying to do is to evaluate whether the project is one that we should be interested in for electricity purposes, given the kind of deposit that it is, with a very high moisture content and lower than what some might think is an acceptable Btu content. I'm really not in a position to say much more about that: mine ability, cost of productions and getting it out.

**Mr. Makarchuk:** But you have no inclinations at this time as to how, should it become economically feasible—you are going to develop it?

[5:45]

**Hon. Mr. Timbrell:** I think a lot depends on whether we are interested in it for Hydro purposes. If we are not, if it's something which is not economically viable for Hydro's purposes, then there are other alternatives which we discussed the other night in committee—perhaps for other local secondary industry. But that determination is still a bit of the way down the road.

**Mr. Makarchuk:** Okay.

**Mr. Foulds:** Mr. Chairman, I'm curious—does the usual seven per cent Ontario sales tax apply to gasoline?

**Hon. Mr. Timbrell:** No, as you know, it's a separate provincial gasoline tax.

**Hon. Mr. Timbrell:** The federal tax?

**Mr. Foulds:** Yes, the federal sales tax—

**Hon. Mr. Timbrell:** It is a percentage and, as I understand, the way they do it, it is by rough calculation. It was 3.3 cents a gallon—

**Mr. Foulds:** I was here when you were discussing that.

**Hon. Mr. Timbrell:** —and is now 3.9.

**Mr. Foulds:** Thanks. It is just something I wanted to clear out of my mind before I start.

I take it that you do not accept that the province has the constitutional authority to regulate retail prices in Ontario. Your gas freeze, temporary though it was, has indicated that. What I'd like to get from you, as a minister of the Crown, is a policy commitment to equalize gasoline prices between northern and southern Ontario. Can I get that commitment from you?

**Hon. Mr. Timbrell:** Not today.

**Mr. Foulds:** Why?

**Hon. Mr. Timbrell:** Because, again, until you have got the report of the commissioner, until you know all the elements that go into making up the price in Red Lake and the price in Sydenham and the price in Petrolia and the price in Metro Toronto, I don't think you can make that kind of a commitment. Now, there are some people who might want us to equalize the price of natural gas. It is less expensive in northern Ontario than it is here.

**Mr. Foulds:** Why is that?

**Hon. Mr. Timbrell:** Transportation differential.

**Mr. Foulds:** It is cheaper?

**Hon. Mr. Timbrell:** Yes.

**Mr. Foulds:** Why isn't the same true of gasoline and oil which comes from Winnipeg, through northwestern Ontario?

**Hon. Mr. Timbrell:** That's what we are trying to find out through the royal commission, isn't it?

**Mr. Foulds:** I want to give you some figures. This morning, gas prices in northwestern Ontario: Thunder Bay relatively cheap at 80 cents a gallon; Atikokan 93 cents a gallon; Rainy River 93 to 95 cents a gallon; Terrace Bay 93 to 95 cents a gallon; Nipigon, Red Rock 90 to 95 cents a gallon, depending on whether you are on the highway or in the village; Red Lake—

**Hon. Mr. Timbrell:** Is this regular gasoline?

**Mr. Foulds:** Regular gasoline. Red Lake, a first for Ontario, in a city that is served by a Queen's highway—99.9 cents a gallon, virtually \$1 a gallon.

**Hon. Mr. Timbrell:** What was it yesterday?

**Mr. Foulds:** It was 94.

**Hon. Mr. Timbrell:** Did it go up more than the—

**Mr. Foulds:** No, it did not go up more than the 5.4 cents. But what I want to put to you as a matter of policy is that there is no public transportation worthy of the name in northwestern Ontario, that miners, for example, living in Red Lake must commute 40 miles a day each way to work in Griffiths mine near Deer Falls, and that the automobile is not a luxury. I also want to put to you, that waiting for the royal commission report reminds me of a line of Frank Scott's about Mackenzie King: "Pile a royal commission on top of a parliamentary inquiry, postpone, postpone, delay." Over the next four months—

**Hon. Mr. Timbrell:** Why not Sir John A., who said, "Why do things by halves when you can do things by quarters?"—if you want to take that attitude about it.

**Mr. Foulds:** That was Frank Scott about Mackenzie King.

**Hon. Mr. Timbrell:** He was not Sir John?

**Mr. Foulds:** Anyway, what I want to put to you is that over the next four months the people in northwestern Ontario who have suffered from injudicially high gas prices, are continuing to do so. You have not made moves to find out why that is so.

You tell me that natural gas is cheaper there because it is closer to the source of supply. I would submit to you that the same is true of oil and gasoline. Yet we have these astounding figures. I cannot understand for the life of me, why. You've intervened in the marketplace before. Why can't you intervene in this case?

**Hon. Mr. Timbrell:** We have intervened in the whole province and I think you are being a little bit unfair if you suggest I am not concerned about the situation you outlined. That is one specific thing we told the royal commissioner—this was a recommendation from our ministry—we want his information and views on price differentials.

I know all kinds of people in the north, personal friends of mine, who point these things out regularly and I want to know why. Is it because of some of the things that I threw out or are there other factors? Is it in the tank wagon pricing of the companies? Is it in the rental agreement? Is it in any number of things in their relationships with their companies?

**Mr. Foulds:** I want to put to you that it makes more sense to extend the freeze at least in northern Ontario until the commission has made the report than to wait until the

report comes in. When is the commissioner reporting?

**Hon. Mr. Timbrell:** End of February.

**Mr. Foulds:** End of February, which is the highest volume consumption period for automobile gasoline.

**Hon. Mr. Timbrell:** No.

**Mr. Foulds:** You get fewer miles per gallon in the winter time because you are running more instruments in the car.

**Hon. Mr. Timbrell:** Somebody correct me if I am wrong, but the peak for gasoline is the summer, in the province.

**Mr. Foulds:** On the individual automobile it costs you more to run it in the winter-time. Over the next three or four, crucial months, these people will be, if you like in my terms, paying an outrageously high price. I suspect—and if the commissioner will allow us to see the figures I think I will be borne out—that they are being gouged but you will not put a freeze on that until the commission report comes in and you can tell what is a justifiable cost.

I submit to you that this is not unfair. None of the oil companies will go bankrupt over the next four months by extending a price freeze in northern Ontario. They will be able to absorb that in the profit margins which have increased, so I heard; a few were down but most of them were up, as you quoted previously. They will be able to absorb that in their total Canadian market without any substantial loss of revenue and it will be a tremendous consumer benefit to the people in northern Ontario.

**Hon. Mr. Timbrell:** I can only say that if we were going to think of a further freeze it will be for the whole of the province, not for one region of the province versus another. We get 20 per cent of our refined product from outside Ontario. Some of it comes in from Manitoba to northwestern Ontario—am I correct, 20 per cent? Some of it comes in from the Montreal refineries to the part of Ontario east of the Ottawa Valley line and the other 80 per cent is refined at Sarnia and at Clarkson.

I don't believe I could recommend a freeze in one part of the province and not in the other. I have already indicated that if it appears necessary we will recommend another freeze but it will apply to all Ontario not just one part of Ontario. I understand the problem you are outlining. I understand the frus-



tration of the people in the area and I want the royal commissioner to find out the reasons for those differences and whether there is something going on so government needs to step in to equalize, in relevant terms, what is happening in the whole of the province.

**Mr. Foulds:** Let me put it to you, in policy and political terms. If the differential occurred in Metropolitan Toronto and you had 29 seats at state—

**Hon. Mr. Timbrell:** There is a differential in Metropolitan Toronto.

**Mr. Foulds:** If you had \$1 a gallon in Metropolitan Toronto and 68 cents in Red Lake, do you think the government could see its way clear to intervening for a special part of the province? Because Red Lake is one small town of one riding don't you think it is important to intervene?

**Hon. Mr. Timbrell:** As I recall, the town of Red Lake is in a government-held riding.

**Mr. Foulds:** Yes.

**Hon. Mr. Timbrell:** If we wanted to play politics we would start freezing the various ridings. I don't intend to play politics with this. I am trying—

**Mr. Foulds:** Let me put it—

**Mr. Lewis:** You did it with rent controls.

**Mr. Foulds:** Exactly.

**Hon. Mr. Timbrell:** I am trying to serve the people of this province in the best way possible, and I don't think that a freeze on one commodity here and a freeze on another commodity there, is the best answer.

**Mr. Foulds:** Okay, what is the best answer for the people of Red Lake and the other places in northwestern Ontario?

**Hon. Mr. Timbrell:** The best answer is for us to get down to the basic facts through the

royal commissioner, to get his recommendations and then take some action.

**Mr. Foulds:** What the hell are you going to do if it proves to be unjustified? Are you going to freeze it across the province, so the unjust raises are still there?

**Hon. Mr. Timbrell:** Let's wait and see what he finds and what his recommendations are.

**Mr. Foulds:** What do you do for them in the meantime?

**Hon. Mr. Timbrell:** What we have done is to ensure to the best of our ability that the companies will not raise their tankwagon prices more than 5.4 cents on motor gasoline and 4.8 cents on home heating oil.

**Mr. Wildman:** Why can't you add to that a maximum price for the whole province of, say, 88 cents or something?

**Hon. Mr. Timbrell:** If it was all company-run stations perhaps you could, but it's not.

**Mr. Chairman:** Mr. Lewis.

**Mr. Lewis:** Oh, I think I can comfortably pick up on this point tomorrow, Mr. Chairman, and what's more I would be in order.

**Hon. Mr. Timbrell:** It's late in the day to start that.

**Mr. Chairman:** It is very close to 6 o'clock. I would like to remind the members that the committee previously discussed the time limits on these estimates. Tomorrow we will have five days left to complete these estimates and the estimates of the Ministry of Housing. It was discussed and I believe agreed by members of the committee that we would do our best to complete these estimates by tomorrow night at 10:30 p.m., so I would ask the members to try to govern themselves accordingly.

We will now adjourn until tomorrow after the question period.

The committee adjourned at 6 p.m.

## CONTENTS

---

Monday, November 17, 1975

Energy policy programme, continued .....	S-371
Adjournment .....	S-402

## SPEAKERS IN THIS ISSUE

---

Bryden, M. (Beaches-Woodbine NDP)  
 Eaton, R. G. (Middlesex PC)  
 Foulds, J. F. (Port Arthur NDP)  
 Gaunt, M. (Huron-Bruce L)  
 Johnson, J. (Wellington-Dufferin-Peel PC)  
 Lewis, S. Leader of the Opposition (Scarborough West NDP)  
 Makarchuk, M. (Brantford NDP)  
 McCague, G. (Dufferin-Simcoe PC)  
 Reed, J. (Halton-Burlington L)  
 Shore, M. (London North L)  
 Spence, J. P. (Kent-Elgin L)  
 Timbrell, Hon. D. R. Energy (Don Mills PC)  
 Wildman, B. (Algoma NDP)

### Ministry officials taking part

Frame, A., Senior Adviser, Utilities  
 MacOdrum, I. B., Senior Adviser, Natural Gas  
 Scott, R. A., Executive Co-ordinator, Regulatory Affairs  
 Pinnington, P. E., Senior Adviser, Petroleum/Petrochemicals  
 Stortchak, A., Adviser  
 Thacker, J. J., Executive Co-ordinator, Information and Analysis







Ontario

Government  
Publications

# Legislature of Ontario Debates

**SUPPLY COMMITTEE**

**ESTIMATES, MINISTRY OF ENERGY**

OFFICIAL REPORT — DAILY EDITION

First Session of the Thirtieth Legislature

**Tuesday, November 18, 1975**

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975

## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MGS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.

## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

---

TUESDAY, NOVEMBER 18, 1975

The committee met at 3:25 p.m.

#### ESTIMATES, MINISTRY OF ENERGY (continued)

On vote 1802:

**Mr. Chairman:** I call the meeting to order. We will continue with energy policy. According to the list, Mrs. Bryden has the floor.

**Mrs. Bryden:** Mr. Chairman, yesterday we talked considerably about the necessity for conservation and educational programmes to encourage people to conserve energy—and what the ministry might do about it.

There is one area which really concerns me and which is going to make it very difficult to involve the public in conservation—that is the trend, which is certainly evident in Toronto and maybe out elsewhere, for large apartment buildings to provide Hydro service in bulk. A number of buildings are being converted over to this—as well as all the new buildings being built with bulk-hydro systems—and the Hydro costs are then included in the rent. I understand a lot of senior citizens' homes in the Toronto area are also being converted over at the request of Toronto Hydro.

I think this is exactly wrong policy—the opposite sort of policy if we hope to encourage energy conservation—because it takes the onus completely off the individual consumer. He feels since somebody else is paying for it there's no advantage for him to conserve energy, or to use less appliances and so forth. I think there should be a law prohibiting this sort of conversion, and making it essential to have individual meters for all homes.

I wonder if the ministry has considered such a law which would be a directive to developers that they couldn't, in future, install bulk systems and that no further conversions of hydro systems to bulk consumption should be permitted?

**Hon. Mr. Timbrell:** Mr. Chairman, in answer to Mrs. Bryden's question: yes, we have been looking at the question. It's a complicated one in that it involves the practices of

the individual utilities around the province. I wonder if Dr. Rowe could give more information on this now.

**Dr. Rowe:** Thank you, Mr. Minister. In answering the question I would like to clarify the situation of the builder, owner and operator, and discuss current construction methods first. Then I will refer to the specific problem in the apartment sector.

Previously, with smaller and lower-profile apartment buildings it was always the custom to take the electrical wiring from the individual apartment right back down to the basement. This has turned out to be a very expensive practice. The current practice with highrise apartments is to bring higher voltage—550 or whatever—up through the centre core of the building, break it down at each floor level to the 220-volt service, and then bring the apartments on each floor to a connection at the box. For example, in a 25-floor apartment building it would not be necessary to run the low-voltage service any more than the length of the hallway to connect an apartment to the service.

In the older buildings we have all the wiring taken down to the basement and billed on the basis of an individual residential unit. We also have the cost-conservative current building practice of bringing the wiring to every floor, where it's not possible in any simple way to meter the individual units; it would be a very expensive process to have the meter reader come around to each apartment. Here you have the dilemma.

We quite agree with you. This matter of bulk metering is an issue which is currently under investigation with Ontario Hydro; and indeed we have a United States report that shows electricity usage goes up some 25 to 30 per cent following a changeover to bulk metering.

The simple answer to your question is that the matter is under review, under study by ourselves and Ontario Hydro. At the moment we do not see any easy answer to the dilemma between small apartment buildings where the wiring goes down to the basement and



larger units where it is not possible, in any simple manner, to meter the individual units.

**Mr. Burr:** Mr. Chairman could I ask a question about that?

**Mr. Chairman:** I really meant—

**Mr. Burr:** It's a supplementary question.

**Mr. Chairman:** I realize that. It may seem a little tough, but there is a big list here.

**Mr. Burr:** It's for clarification.

**Mr. Chairman:** A very brief one for clarification then.

[3:30]

**Mr. Burr:** Why could the meters not be read out in the hall just as they are in most new homes nowadays? I don't see your objection on the cost of a meter reader going around and having great difficulty and expense reading meters.

**Dr. Rowe:** There are many approaches to the problem, including things like electronic sampling. I don't think at this moment we should take any immediate action until we fully understand the problem and also what technical means there are available to us to automatically sample and meter these apartments. By the end of the year we expect to hear back from Ontario Hydro on the technological problems and what they anticipate, from their own studies, has been the increased usage.

**Mr. Burr:** I can wait six weeks.

**Mr. Chairman:** Anything further?

**Hon. Mr. Timbrell:** I suppose it's another symptom of the period in the 1950s and the 1960s when the utilities, trying to pare their own costs of operation, saw this as a means of doing it, without regard for the effect it would have on consumption. It's a matter of trying to undo this if possible.

**Mrs. Bryden:** Just one question. I can see some of the technical problems and some of the economies that can come in new buildings, although I certainly would like them to work out some system where it could be metered to the individual consumer. But can we not stop the conversions that are going on in the existing buildings?

This would particularly affect the senior citizens' homes in the city of Toronto. Senior citizens who grew up during the depression feel very strongly about waste and they feel they have no means of controlling hydro waste by their neighbours. Their rents

have gone up \$4 a month in several Toronto homes to cover Hydro costs and that's supposed to be the average use. But they feel they're away for a month and they still pay \$4—they may only use half that quantity and they feel it's very unfair.

**Hon. Mr. Timbrell:** Again we are getting a report on this by the end of the year; I think we can wait on all aspects of this until we have that report and then try and tackle the whole problem, not just piecemeal. The ministry acknowledges it is a problem that we are trying to do something about.

**Mrs. Bryden:** Well conversions are taking place every day in the old apartments, so we could perhaps put an interim hold on that.

**Hon. Mr. Timbrell:** It is something that is under the control and jurisdiction of the local utilities—

**Mrs. Bryden:** Yes, I realize that.

**Hon. Mr. Timbrell:** —which is another complicating factor. You're talking about going through a series of steps from us to the utilities. When I became minister, I offered to meet regularly with the president and president's council of the Ontario Municipal Electric Association. We'll be meeting again in the next few months and this hopefully can be one of the topics we would discuss. It would take their co-operation, ultimately, to make any changes work properly.

**Mrs. Bryden:** Thank you.

**Mr. Chairman:** Mr. Wildman.

**Mr. Wildman:** I have a question following that up. In areas where there are mobile home parks—I'm not certain if this is the case with all utilities but certainly it is in our area where Great Lakes Power has a policy against individual reading of meters. They say it costs a lot and it's inconvenient to have a meter reader go around to each individual mobile home and read the meters. So they have a meter at the—

**Mr. Burr:** It's so far to walk.

**Mr. Wildman:** —entrance of the mobile home park and they bill the owner of the park for the cost of the power. Then it's up to the owner of the park to divide up that cost among all the people who live there.

It seems to me this is completely inequitable, because with some of these units maybe it's just an elderly couple living in the mobile home; while others have two or

three children and it would seem likely they're using a great deal more power than the elderly people. I've had contact with the utility in question. They've completely refused to change their policy. I was wondering what can the ministry do.

**Hon. Mr. Timbrell:** This is what I was referring to. Mr. Wildman, the fact that the utilities—and for all purposes in this case Great Lakes Power is a utility the same as Toronto Hydro or Kingston or whatever—the utilities pushed this over the years to cut their costs. For instance I don't know how many there would be in the care to which you refer; let's say there are 40. Obviously if the meter reader can't—

**Mr. Wildman:** There are 100 as a matter of fact.

**Hon. Mr. Timbrell:** All right. If the meter reader can go and read one meter instead of having to spend the time reading 100 meters, particularly in a utility like any of the ones in the urban areas where there are lots of apartment buildings, the number of staff is reduced and this cuts down on the cost of service, which has an effect on rates being an element of the cost of service which doesn't have to go into rates in this instance. That's their main argument in favor.

I think Dr. Rowe indicated this and I tried to indicate it before. That's one of the things we have to cope with in dealing with the utilities. We recognize their problem, their desire to minimize their local costs, but we have to point out to them what we see as the negative impact of this in terms of energy consumption. What you are saying about the prorating of the total bill is an added element, and I agree in many cases it can be unfair.

**Mr. Wildman:** What is the relationship between the minister and a private monopoly, like Great Lakes Power, where that company, just like Ontario Hydro, has a monopoly on the supply of electric power to a very large area and a large number of customers? Yet unlike Ontario Hydro, it is not publicly owned and as a result does not seem to have as much interest in pleasing the public as they might if they were publicly owned or in competition with another company. What is your feeling about privately-owned monopolies which supply power? Should Ontario Hydro service be expanded throughout the north so we can avoid having private monopolies?

**Hon. Mr. Timbrell:** The main area—unfortunately the member for Cornwall is leaving, it touches his area as well—the main area served by Great Lakes Power is Sault Ste. Marie. There was a request from the council of the city of Cornwall about six months ago for ministry advice on the possibility of setting up a public utilities commission in Cornwall. As I understand it, both in Cornwall and in Sault Ste. Marie it is a question of granting a franchise from the municipal corporation.

**Mr. Wildman:** There is a public utilities commission in Sault Ste. Marie under the municipality, but I'm talking about the areas outside of the Soo that are served by Great Lakes.

**Hon. Mr. Timbrell:** I just want to give you the example. We did some cost estimates on the Cornwall situation in the ministry and in Hydro, and I don't believe we actually made a recommendation. We just set out the facts and figures and cost implications; but they decided not to do it.

We would have to look at whether there is any merit, any financial benefit, to the people in a given area in trying to incorporate parts of the Ontario Hydro rural district into utilities. I'm thinking of some of the new regional governments where municipal restructuring is going on; parts of the Hydro rural district will go into the hydro commissions and cut down the size of the rural district. You would have to define an area and tell them to put it in a letter saying: "All right, here's the area I'm talking about. Can we take a look at the cost benefit." I think we could probably do that.

**Mr. Wildman:** Just for the record, certainly Great Lakes' biggest customer is Sault Ste. Marie, but it does serve an area about 200 miles in length, all the way to Wawa in the north and Bruce Mines and the area east of Sault Ste. Marie.

**Hon. Mr. Timbrell:** I didn't want to leave the impression I didn't realize the Soo had a PUC. Of course one of the members of the PUC is a member of the board of Ontario Hydro, Mr. Hugill.

**Mr. Wildman:** I'd like to return to a couple of suggestions made just before the end of our discussion last night by my colleague from Thunder Bay. I understand your answer in stating the problems of equalizing costs of gasoline between north and south and between small centres and large centres and so on. The suggestion was



made at the end of that discussion that perhaps there might be a maximum price for the whole province and thus we would be getting away from your objection or your feeling that we shouldn't be treating one area of the province differently from another. What's wrong with the idea of a maximum price for the whole province?

**Hon. Mr. Timbrell:** There may be nothing wrong with it. I just feel that having appointed a royal commission—I have tried to make it very clear that at no point have I tried to play politics with this; I genuinely want to know the facts found by the royal commission—once having appointed that commission I think we should let it finish its work, which can be done relatively quickly and then we can make some determinations.

Your colleague mentioned some of the prices. We want to know too. For instance, when oil comes to Ontario it comes at \$8.75 a barrel. There are 35 gallons in a barrel of oil so 25 cents is the basic cost per gallon for crude. I think the average figure for production over and above that is about seven cents per gallon, something like that. Then you add the provincial tax, which is 19 cents. You add the federal excise tax, which is 10 cents and you add the federal sales tax, which is roughly four cents—3.9 cents but we'll call it four—and that's 65 cents. What we want to know is why is it that gasoline is selling in some parts of the province for 68.9 cents—or has been; and yet there are prices up to a fraction of a cent off a dollar?

What is making the difference? Is it the retail dealer's markup only? Is it the pricing practices of the companies? Is it transportation costs? I think we all agree that can't make that much of a difference.

I think we need to know all the facts and then we can arrive at some reasonable decisions.

**Mr. Wildman:** I certainly agree with you it's a good idea if we get all the facts, but the problem with that is if we wait, as you suggest, until the royal commissioner reports, which might be February, the people in northwestern Ontario and in the northern part of my riding, in areas like Hornepayne, are going to be paying over 93 cents a gallon for gasoline from now until February.

After the royal commissioner reports, the government is obviously going to have to study his recommendations, if he makes any. By then, it may be late in the spring before any decision is made to rectify the situation

—if there is any gouging or if there is evidence that prices should not be what they are in the north.

Certainly the people in the north don't feel they should be like that and I really don't expect the commissioner to come out and say: Yes, they are as they should be. Couldn't there be something done, in the interim between now and the time the commissioner reports and the government studies his recommendations and comes to some conclusion, to help the people in the north who are having to pay such tremendously high prices?

**Hon. Mr. Timbrell:** As I have indicated, I want to approach this on a province-wide basis.

**Mr. Wildman:** That was my suggestion about maximum price.  
[3:45]

**Hon. Mr. Timbrell:** If you could assure me that was not going to force out of business some of the small dealers in the north—which you can't; nobody can—maybe we would consider it more. We don't have all the facts, nor does any government. The Minister of Consumer and Commercial Relations (Mr. Handleman) and I did meet with representatives of the Ontario Retail Gasoline Automotive Service Association about 10 days ago. They did present us with a brief which outlined a number of policy options which are possible interim steps. We have evaluated them within the Ministry of Energy and my staff sat down and talked to the royal commissioner about it.

Mr. Handleman undertook to have his staff, particularly those people who deal with franchise guidelines and legislation, look at it; and I am hoping, once I have a little bit more time, to sit down with Mr. Handleman, with his staff and mine. We want to see if in fact there is something we can do in the interim.

I must say, as I have said in the House, that some of the points put forward by ORGASA appear at face value to raise the possibility of a further increase in prices to the retail customer and the limiting of competition. But once we have finished our analysis, then we'll determine if there is, in fact, anything we can do as an interim step for the whole of the province.

**Mr. Makarchuk:** Listening to the minister expressing his solicitude for the small dealers, I am glad that he is so concerned about them. But it seems to me that his actions indicate greater solicitude for the oil companies than for the dealers. If you have the—



**Hon. Mr. Timbrell:** That is your opinion, Mr. Makarchuk, which you are free to hold. Some of the oil companies certainly don't think that.

**Mr. Makarchuk:** Right. Who doesn't? The oil companies don't?

We were discussing yesterday what arrangements you have entered into with Amok and Shell on the exploration dealing. Could you at this time enlighten us as to what the—

**Hon. Mr. Timbrell:** Yes, I'd like to ask Mr. Lamb to come forward and give the details of the contract. This is Mr. Peter Lamb of the ministry.

**Mr. Lamb:** Yes, you asked about the two uranium exploration joint ventures that Hydro has negotiated. I think before I give you some details it might be useful to give you some background on the situation for Hydro and why they are entering into these. I think it's important to recognize that for the next decade at least and probably beyond there, Ontario Hydro is going to be by far the major user and purchaser of uranium in Canada, let alone Ontario; and it does seem appropriate that they make a direct attempt to assure themselves of long-term supply.

The other factor is the question of escalating world price. Mr. Dillon did cover that in his initial review of the energy situation. Access to all bodies that might be found as a result of these programmes would give Hydro some protection on access to large supplies of uranium.

The other aspect—and I think it is important—is that there has been for at least four or five years, since the federal government imposed restrictions on foreign ownership in the industry, a virtual stagnation of exploration development in the industry on other than known ore bodies, particularly at Elliot Lake. We feel that Hydro's programme might encourage other companies, particularly other companies in the private sector, to see that there is a commitment by Hydro as the main user of uranium to further develop new ore bodies in Canada. I think that could be an important psychological impact.

The Shell arrangement is on what Hydro calls a grassroots programme. This means that it is exploring virtually unknown or rather undeveloped uranium ore bodies geologically. The Amok one—and I'll come to that later—is not that. The Amok proposal does deal specifically with a known ore body and further delineation of it. The Shell programme is concerned with exploration anywhere in Canada. Initially they have chosen two sites,

one in northern Ontario, in the Huronian area, and the second in the Northwest Territories.

**Mr. Reid:** Did you say Huronius?

**Mr. Lamb:** Huronia—the Huronian area of northern Ontario. The structure of the programme is that Ontario Hydro and Shell Canada will be equal partners. Shell will be the operator of the programme, using its expertise in exploration. The specific programmes will require the unanimous vote of both parties. The agreement is for an initial five-year period and would involve joint exploration expenditures of \$7 million. Each partner therefore assumes 50 per cent of that exploration cost.

If an ore body is discovered and, as a result of subsequent development drilling and feasibility studies, it is decided to go into production, then obviously Ontario Hydro, if it continued its full commitment through all those stages, would acquire 50 percent of the ownership in the ore and in the production of that mine.

There are obviously provisions for each partner to opt out at different stages if it chooses not to continue. The only commitment in the programme is for the initial exploration. Also—and this was referred to briefly yesterday—Ontario Hydro does have a right of first refusal on the Shell share of production.

Turning to the Amok project, this is still under negotiation in terms of final agreement. Very briefly, what it provides for is a continuation of Amok's existing development exploration work in the Cluff Lake area in Saskatchewan. The Cluff Lake deposit is a delineated deposit and Amok will be going into production in maybe two or three years' time.

The Hydro-Amok exploration agreement would provide for Ontario Hydro to provide all the financing up to \$2.5 million—

**Mr. Makarchuk:** I'm sorry; what was the figure?

**Mr. Lamb:** Up to \$2.5 million over a three-year period. This, in a sense, gives Hydro an entry fee, if you like, into the development work that has been going on. After that three-year period, the interest would be split two-thirds to Amok and one-third to Ontario Hydro. There is every expectation that the programme will continue beyond the three-year period, but obviously at the end of three years each party would have a right to withdraw and opt out.

Clearly, if Hydro again continues with Amok on an exploration programme and an ore body is discovered and goes to production, if Hydro again continued its full one-third commitment, it would obtain one-third of the output at cost and would be able to use it as it saw fit.

Similarly with Amok, as with Shell, it has a right of first refusal on any uranium that's found by Amok that they are not allowed to export. In other words, it's protected for the domestic market. Another feature which I think is very important is that Hydro also obtains the right of first refusal on the existing deposit at Cluff Lake, which isn't already committed to others. That's all I have to say, Mr. Chairman.

**Hon. Mr. Timbrell:** Mr. Matthews is here from Ontario Hydro as well. Would you gentlemen join us at the table in case there are any further questions?

**Mr. Makarchuk:** Can I just start with the Shell portion? When you say they will be equal partners, do you mean equal partners in all ways? The item that is of concern to me is that once the operation is fully developed and functioning, assuming they have a discovery, then Ontario Hydro will buy the ore at what price? Will this be the world price of ore at that time or is this a predetermined price that's in the agreement now?

**Mr. Lamb:** There are two aspects. One is that if Hydro does continue and puts up 50 per cent of all the expenditures—that's all the development and the mine construction—it will own 50 per cent of the production. It will be its own uranium. Clearly, if it still needs as much uranium as we expect, it will use the uranium at cost. On the other part, the part that Shell will own, Hydro has the right of first refusal. But the price will be negotiated at the time; and whether that is what we know now as a world price or some other negotiated price will be up to the two parties to decide at that time.

**Mr. Matthews:** But I think the important point is that half the uranium will come to Ontario Hydro at the cost of production; in other words directly related to its share of the venture.

**Mr. Makarchuk:** Would that include the exploration costs as well as the start-up costs? Would that be included in the—

**Mr. Matthews:** Shell and the Ontario Hydro share equally in all of the expenditures during exploration.

**Mr. Makarchuk:** Right.

**Mr. Matthews:** And in building up production.

**Mr. Makarchuk:** And start-up costs as well. They would share that. What you are going to do then is that Hydro will be entitled to 50 per cent of the production and you are going to rate the costs of the uranium on the basis of your exploration investment, plus your start-up costs. That is the—

**Mr. Matthews:** That is the principle, yes.

**Mr. Makarchuk:** That is the principle. What happens to the other half of the ore then? Assuming that the costs are—say \$7 a pound or \$8 a pound or something like that—

**Hon. Mr. Timbrell:** That was a long time ago.

**Mr. Makarchuk:** Yes, I realize that. I haven't been around here for a while.

That is for start-up costs. At that rate you can write off your start-up costs and Shell is entitled to sell the balance at the world price. There will be certain profit made, because naturally I imagine that cost will be higher, or rather the selling price will be higher, the world selling price would be higher than what Hydro is paying or what it would cost them.

**Mr. Matthews:** One would hope so.

**Mr. Makarchuk:** Right. Now does Hydro get a share of the profit on that portion?

**Mr. Matthews:** Not on their share. We do have the right to the uranium at a negotiated price, but we do not have any right to the share of the profit earned by their investment. We have the right to our own share, of course, but not theirs.

**Mr. Makarchuk:** Well I wonder, Mr. Minister, wouldn't it be a lot more reasonable, you would protect the people of Ontario in a sense? Is there any reason why we shouldn't get a share of the pie, outside of the fact that we are getting the uranium at cost, which I am not arguing about? If we are going to invest money and in a sense guarantee the success of an operation, which we are to a point in this case, what is there to prevent Ontario from taking a share of the profits?

**Hon. Mr. Timbrell:** Mr. Matthews could probably give more details. One of the factors would be that the leases are in the names of the companies involved and that we—



**Mr. Matthews:** Could I add: I think it is unfair to say that Ontario Hydro will guarantee the success. All Ontario Hydro will do, if you like, is to guarantee a market. There is still a considerable risk involved in finding the uranium and the whole purpose is, I think, to use the expertise that Shell will have to establish the reserve. Hydro has the opportunity to take not only their share of the production, but also the right of first refusal on the production that Shell will have available.

**Mr. Makarchuk:** Yes, but you can't really say this is a sort of a total risk venture. You have a commitment from Hydro for half the cost of exploration. You have commitment from Hydro for half of the start-up—

**Mr. Matthews:** No, may I correct that?

**Mr. Makarchuk:** Yes.

**Mr. Matthews:** The commitment is only for the exploration portion at this stage. We have made no commitment that we will take half the production or guarantee a market. The things we have been talking about are rights that Ontario Hydro has pursuant to the exploration agreement. There is no production agreement at this point in time.

**Mr. Makarchuk:** That makes it a little bit more difficult then to accept. In a sense, what you have done now, is you have guaranteed them, or you are prepared to pay up to \$3.5 million in exploration costs. You have no commitment from Shell to pursue the matter further. In other words, if Hydro decides so—after they have defined an ore body, and it looks economically feasible and so on, and Hydro is obligated to pay out \$3.5 million, assuming the cost is \$7 million in exploration—at that point Hydro does not necessarily have to take or continue the partnership. Is that right?

**Mr. Matthews:** We could withdraw at that point. If we did, we would have a residual right, if you want to put it this way, of carried interest or we would have the right to sell our share in what had been found. Even if we withdraw, we don't lose our \$3.5 million if an ore body is found.

[4:00]

**Mr. Makarchuk:** My concern is that you are using public funds to assist in an exploration which may or may not prove successful. I don't know exactly what stage you are at, at this time, in terms of the ore body. But if it does prove successful and it's in true private enterprise tradition,

which I'm sure the minister endorses wholeheartedly: you've sunk the money; you've put in the money; why shouldn't you take some of the profit then?

**Mr. Matthews:** I hope we will.

**Hon. Mr. Timbrell:** Wouldn't you agree that the fact that Hydro, if they chose to continue beyond the exploration stage would get the ore at cost, not at cost-plus whatever is added to come up to the world price; that is in fact a share of the profits.

**Mr. Makarchuk:** Mr. Chairman, it really wouldn't matter to Hydro if they paid the world price. If they are getting their share of the profit, the money is still coming back. All you are doing is you are recirculating it.

**Hon. Mr. Timbrell:** The money is coming back by way of reducing the cost of uranium, which is a very large part of their fuel bill.

**Mr. Makarchuk:** If you decided to go and say okay we'll buy the uranium at world price in this case; suppose it is that kind of a deal and you were entitled to, or you received half the profits: in effect you would be getting your uranium at cost, because the profits would be coming back to the company.

What I'm concerned about is the fact that you have put public funds into this situation. You've guaranteed a market, more or less. I'm not sure what exact commitment you have.

Assuming your predictions are correct—I've no reasons to doubt your predictions on the need for uranium in the future—there is a fairly definite market. It's very nice. As Eddie Sargent would say: "This is a deal in which you can't lose."

**Mr. Matthews:** Neither can we, if Shell have the technology and the capability to do good exploration work and run a good mine.

**Mr. Makarchuk:** It sort of puzzles me why an oil company should be involved. We'll leave that to your technical people, but the fact is I'm sure there must be uranium or mining companies which probably have the technology and the expertise to develop ore bodies. I just wondered why Shell was chosen for this thing. Perhaps you have your ideas on that. I don't think at this time I'm going to go into that.

**Mr. Matthews:** We do.



**Mr. Makarchuk:** But you probably have checked that portion out.

**Hon. Mr. Timbrell:** There were 30 different propositions investigated before it was refined down to these two: Shell and Amok.

**Mr. Matthews:** We've made use of the best consultants available in assessing both the commercial and technical details and the competence of the company's financial strength—all these things. So I think you could feel we have done a good job in that area.

**Mr. Makarchuk:** I think you may have done a good job. I still do not agree that you have done a good job in the sense that what you've done is you've put in public funds. You've backed a company; you've guaranteed a market for them, which is an ideal business situation, as you know, when you can buy or sell something and you have a guaranteed market for it, more or less by contract. And then you refuse to take your share of the profits.

**Mr. Matthews:** We haven't guaranteed them a market for their share. We've only guaranteed them a market for our share which we will get at cost.

**Mr. Makarchuk:** That's right. Surely it is not that doubtful or that dubious an operation that there will not be a share or will not be a market for the uranium.

**Hon. Mr. Timbrell:** That depends on the export controls as laid down and exercised by the federal government, whether they have to restrict themselves to the Canadian scene or whether they can look at the world scene as a potential market for the product.

**Mr. Makarchuk:** I think if you look at the Canadian experience in terms of selling out their natural resources, I don't think that's an item that should worry you too much. I'm sure if we had one extra pound of uranium in this country there would be missions flying all over the world to sell the thing, as they have in the past.

**Hon. Mr. Timbrell:** As I indicated yesterday, we have expressed concern to the federal government about the level of exports which they have permitted. Again, hopefully at the one day conference on Dec. 12 this is something else we could get into with them.

**Mr. Makarchuk:** Sure, and the reason you've expressed that concern is because

you feel you do not have an adequate supply of uranium?

**Hon. Mr. Timbrell:** Because we look at what we know they've approved by way of exports; we look at what Hydro estimates will be their needs; we look at the requirements of the federal government for domestic utilities in terms of securing supplies for committed reactors; and we can see that by the mid-Eighties all of the known uranium in the country will have been committed one way or another.

**Mr. Makarchuk:** Right. Therefore, as far as this case is concerned there really is no doubt in your mind that you are going to be able to use the 50 per cent that you say you're going to get, plus anything else—perhaps the other 50 per cent that will be produced. There isn't that kind of a doubt. There's no speculation really on the part of the company, on the part of Shell as to whether they will or will not be able to sell their uranium.

I think everybody's convinced of that. In fact, I'm sure that if Shell are involved in this thing and are putting in \$3.5 million, they know damn well that they're going to sell the uranium that will be produced there.

**Mr. Matthews:** They would expect to.

**Mr. Makarchuk:** Yes, I am sure they would. What I'm concerned about and where I think you are making a mistake is that you have put in public funds, you've backed a project, you've guaranteed a market for it and yet you refuse to take a profit on it.

**Hon. Mr. Timbrell:** I would argue again that we are taking a profit off it by virtue of the fact that we get half of the production at cost. So it's a question of how you are going to define it, I suppose.

**Mr. Makarchuk:** I think that no matter if you say that you are getting 50 per cent at cost, the other 50 per cent will be sold at a world price which could prove to be a fairly good price. At this time we don't know. If somebody asked you in 1964 what the price of oil was going to be in 1975, or in 1970 asked you about 1975, I don't think you would have predicted the price would be where it is right now. The same situation can exist with uranium supplies. Once again you have an opportunity here to take advantage of that situation for the benefit of the people of Ontario, not just because it's in Canada or Ontario, but because you've put in public funds. You've put money into this.

**Hon. Mr. Timbrell:** I would argue that we have taken advantage of the situation and it is difficult to know what the price of uranium would be, in three or four years time, given exploration going on in other parts of the world. If what is now basically a seller's market turns in three or four years time into a buyer's market, the bottom could fall out of the price.

**Mr. Makarchuk:** That's very well, but that doesn't return your \$3.5 million. You would have spent that money, and you would have spent your startup costs, and should the bottom fall out, you'll be in no position to regain your money. You're prepared to spend it in a loss situation, but you are not prepared to spend it in a profit situation.

**Mr. Matthews:** I would like to suggest that it takes two people to make an agreement, and this is the most advantageous agreement of all the 30 to 35 we have looked at from that point of view.

**Mr. Makarchuk:** In other words, what you're saying is the company had you by the gonads and you accepted them. Is that it?

**Mr. Matthews:** Well, 35 proposals doesn't mean we chose just the first one that came.

**Mr. Makarchuk:** On the Amok situation, you have a known ore body; is that correct?

**Mr. Matthews:** In the Amok case, yes. The situation is that there is a so-called rim. The south part of that rim is the Cluff Lake deposit which has been defined and is owned 100 per cent by Amok. They're planning and starting the development of it to bring it into production. Now that rim goes round in a circle like this, and it's the north half of the claims which they are not entitled to retain possession of due to the foreign ownership legislation. We have the opportunity to share with them in those claims. Those claims therefore have a relatively high probability of being successful.

**Mr. Makarchuk:** You are putting in \$2.5 million and you will get one-third of the output at cost. Is that correct?

**Mr. Matthews:** That's correct.

**Mr. Makarchuk:** And the same conditions exist with Amok as Shell. In other words, they'll be able to sell the balance, the two-thirds, at whatever price is going at the time the plant goes into operation. And once again you do not take any share of the profit.

**Mr. Matthews:** We get the share that accrues to our share of the investment.

**Mr. Makarchuk:** In this case, in addition to \$2.5 million, is this covering the exploration costs or is that also going to cover the startup or the plant costs as well?

**Mr. Matthews:** The north side of the rim requires drilling for exploration, which is expensive. As a consequence, it's likely the costs of defining an ore body, should there be one in the north, will exceed the \$2.5 million that we are paying in the beginning. So we would expect that the exploration agreement will continue after the three years. After three years Amok will put in two-thirds of the money and we will put in one-third. The interests of the parties in any benefits or finds will be two-thirds Amok and one-third Ontario Hydro.

**Mr. Makarchuk:** In other words, what you are saying here, is that the situation with Amok is not exactly the same as it was with Shell, outside of the one-third. In other words, you will be taking one-third of the profit—

**Mr. Matthews:** We will be taking one-third of profit, yes.

**Mr. Makarchuk:** —should the operation become successful. If that is the case, if you are applying it here—and I am not sure that financial arrangements is actually—

**Mr. Matthews:** We do that in the Shell case too.

**Mr. Makarchuk:** As I see it, for the startup costs your financial arrangement is if Amok will put up two-thirds of the cost of the mine site and the refinery, etc., you will put up one-third. In return you will get ore and be able to share one-third, two-thirds of the profit.

**Mr. Matthews:** That's correct.

**Mr. Makarchuk:** But you are not prepared to do the same thing with Shell?

**Mr. Matthews:** We really are. The point is that we don't really want to profit. We want the uranium at less than the going rate.

**Mr. Makarchuk:** But surely we have gone over that portion before.

**Mr. Matthews:** That's right.

**Mr. Makarchuk:** That if you sold the uranium at world price, as I said earlier, that—

**Mr. Matthews:** You could do it that way.

**Mr. Makarchuk:** —it would give you a certain profit above your cost, which will go back to Hydro.

**Mr. Matthews:** That's right.

**Mr. Makarchuk:** So, what's the difference?

**Mr. Lamb:** There is no difference. The arrangement with Amok, in terms of participation in the final project, is the same as with Shell. Ontario Hydro would pick up, in the Amok case, one-third of the production—therefore one-third of the profit if you like—on the rest. And the Shell case is exactly the same.

**Mr. Matthews:** We get half the profit on the Shell venture. You can put it that way if you wish.

**Mr. Lewis:** You are just using the normal use of the word profit.

**Mr. Matthews:** If you consider profit the difference between costs and the going price, then we get half of it.

**Mr. Lewis:** You get it at cost.

**Mr. Matthews:** We get uranium at cost which means that we don't pay the going rate. That is, if you like, the profit on the venture.

**Mr. Lewis:** But you have paid an investment which you do not recover, in dollar terms.

**Mr. Matthews:** We do in the sense that it is the difference between cost of production and the going rate for product. That gives you a return on investment, I believe.

**Mr. Lewis:** But you don't know the size of the ore body or the price for the uranium that is sold by the private corporation. So how can you know what you would have recovered?

**Mr. Matthews:** Of course you don't until you—

**Mr. Lewis:** You certainly don't if you can take public money and commit it to exploration—buy half of it at cost—

**Hon. Mr. Timbrell:** Isn't this the same as what all parties have suggested should be done in all of the energy sector? Whether it is exploration for oil or gas or uranium or whatever?

**Mr. Lewis:** My interpretation of a joint venture is not that the government participates equally with a private company in exploration, then buys what is produced at cost while the private company sells what its share is at a profit on the world market. That is not my view of a joint venture and

it is not the view, I would have thought, of most governments. You share the cost of exploration and you share whatever profits may accrue to the company's proportion of that sale.

**Mr. Matthews:** That's exactly the situation.

**Mr. Lewis:** It is?

**Mr. Matthews:** It is a matter of how you choose to take it. That's exactly the situation. We have our share of the profits of the venture.

**Hon. Mr. Timbrell:** By virtue of the fact that we buy the product at cost and are not paying the world price.

**Mr. Norton:** Could I ask a question for clarification for my own purposes at this point? I am getting confused by what appears to me as confusion on the part of some of my colleagues. Would it not be exactly the same thing if—

**Mr. Reid:** I am confused at this point.

**Mr. Norton:** We are getting into a morass here. Would it not be exactly the same thing if all of the production were sold at the market price and also to Ontario Hydro at the going market price and then 50 per cent of the profits were paid back to Ontario Hydro? It seems to me that's the point that is trying to be made: We are in the same net position, regardless of which way it is done.

**Hon. Mr. Timbrell:** That's correct.

**Mr. Norton:** I can't understand why there is such confusion over it.

**Mr. Lewis:** Why are you in the same net position if the cost remains the same but the price on the world market rises?

**Hon. Mr. Timbrell:** Because then you are not paying the world price.

**Mr. Lewis:** No, you are just paying the cost.

**Hon. Mr. Timbrell:** Right.

**Mr. Lewis:** But the rise in price that you get on the world market accrues to the private sector only.

**Mr. Norton:** But wouldn't Ontario Hydro under those circumstances — if they were paying the going rate—also have to pay the increased rate?

**Mr. Lewis:** No.



[4:15]

**Mr. Norton:** Therefore, they are getting the advantage of the—

**Mr. Lewis:** The cost presumably remains the same. The cost doesn't necessarily go up if the demand for the product is so high on the world market that it forces up the price. Hydro's cost could remain the same for the purchase of its half for 10 years while the price on the world market continually escalated, bearing on demand. But the profits from the escalated price would accrue only to Shell, not to Hydro.

**Mr. Lamb:** The fact that Ontario Hydro owns 50 per cent; it's a voted thing, the high world price. Surely that is a saving to them?

**Mr. Makarchuk:** Your assumption is that Hydro should be obligated to pay the world price? Is that what you are saying?

**Mr. Lamb:** No.

**Mr. Makarchuk:** It certainly—

**Mr. Matthews:** The fact is we do have to pay the going rate, at least, whatever that is, for Hydro.

**Mr. Makarchuk:** I question the idea of your being involved in a situation in which you don't try to establish some kind of an economic advantage for yourself.

**Mr. Matthews:** I felt we had. In fact, I thought the whole point—at least, the third of three major points in the exploration programmes was that it does give us leverage for more money.

**Mr. Lewis:** Gives you leverage for more money?

**Mr. Matthews:** Yes.

**Mr. Lewis:** In what sense?

**Mr. Matthews:** In the sense that, as this gentleman put it, we get the equivalent of half the profit in the enterprise because we could sell the uranium on the world market rather than take it ourselves; or sell it in whatever market is open to the venture.

**Hon. Mr. Timbrell:** Which is highly unlikely if we have a surplus.

**Mr. Matthews:** We would not wish to do that but we could do so. In other words we are getting the 50 per cent of the profit. It's a matter of how we take it. We can take it in money or we can take it in product at a low cost.

**Mr. Lewis:** Yes, I understand the taking of it in product and I don't really dispute that.

**Mr. Matthews:** If we could buy uranium for less money or if, in some way, we had contracts which gave us the uranium at less money and which filled our requirements, we could sell our half of the uranium from the joint venture on the open market and take our share of the profit.

**Hon. Mr. Timbrell:** With respect, I think what you are getting at is something I have expressed interest in with the federal government; that is a two-price system. I may be wrong. Since the war the federal government has had control over uranium for pricing and it has indicated it is in no way prepared to consider a two-price system, a Canadian price and a world price. Subject to negotiations with various companies on present arrangements, we are subject to purchasing uranium at world prices.

**Mr. Makarchuk:** This is by decree of the federal government?

**Hon. Mr. Timbrell:** Yes.

**Mr. Makarchuk:** I suppose if you didn't have that you would certainly be in a better position?

**Hon. Mr. Timbrell:** I'm sorry?

**Mr. Makarchuk:** I said if that situation did not exist, if the federal government order did not exist, you would be in—

**Hon. Mr. Timbrell:** If there was a federal policy which dealt with a two-price system for uranium we wouldn't be in this situation. Without projects of this sort, we are in the position of having to buy from whoever owns the deposit at world prices, under present federal policy.

**Mr. Lewis:** I don't understand why you couldn't have negotiated for a share of the profit on the portion which Shell sells on the open market as well as receiving half at cost. I want it understood that Hydro shares this corporate view of life which socialists don't share and I don't consider Ontario Hydro a Crown corporation in other than name.

You have negotiated an arrangement which you feel benefits Hydro and, therefore, Ontario as I understand it with a very tough multinational corporation. You are very pleased to have been able to get half of the uranium at cost. I can tell you that if we had supervision of a Crown corporation which entered into that kind of an agreement we would darn well have participated ourselves, as a govern-

ment, to maintain an equity in the profits accruing to the private sector. If the negotiations couldn't work out that way we would have done what we indicated the other day which is to nationalize Denison and Rio Algom and bring them into the public sector anyway. That's obviously not Ontario Hydro's worry.

Mr. Matthews: I would point out that this property is in Saskatchewan.

Mr. Lewis: What about Saskatchewan?

Mr. Matthews: This property is in Saskatchewan.

Mr. Lewis: So? All the more reason—you would have had a joyous time. As I understand it, the government of Saskatchewan, if potash has any analogy to uranium, is clearly not reluctant to bring into the public sector a major natural resource.

Hon. Mr. Timbrell: If Saskatchewan wishes to nationalize this and sell it to Ontario Hydro at a price lower than the world price, all well and good.

Mr. Lewis: As a matter of fact, it is an interesting proposition. We should be glad to approach the Premier.

Hon. Mr. Timbrell: Perhaps you'd discuss it with him.

Mr. Lewis: Yes, and show you what can be arranged for the benefit of people rather than of Hydro.

Mr. Reid: That has a somewhat familiar ring.

Mr. Lewis: I cannot make a commitment—

Mr. Matthews: I want to say that Shell is bringing something more to this proposition than just money. They are 50-50 on money but they are the people with the technology and the expertise to do the job—

Mr. Lewis: I understand.

Mr. Matthews: So they are bringing something more than just money.

Mr. Lewis: Oh, I wouldn't begrudge them their expertise.

Mr. Makarchuk: There is also the question of how do you price their expertise and their technology, and who sends the bills to whom, and who pays how much for consultants, and so on? Have you got some supervision on that aspect of the development?

Mr. Matthews: Oh, yes, by all means. We have very close supervision. We have access to all of the information that they develop, and we have an equal share in the management of the programme.

Mr. Makarchuk: Yes, but, in terms of pricing the expertise or pricing the cost of development, what supervision do you have in that?

Mr. Matthews: Audit. Are you thinking of those things? We have our own—

Mr. Makarchuk: I am just thinking that Shell says, "Well okay, our consultants cost you so much" and send you a bill for \$300,000. You have seen that happen before—I am sure we all have seen it happen before.

Mr. Matthews: We have our own consultants, as I say.

Mr. Makarchuk: Your agreement is such that, who makes the final decision?

Mr. Matthews: Fifty-fifty.

Mr. Makarchuk: No, but who makes the final decision on the cost?

Mr. Matthews: It can dissolve if there is no final decision.

Hon. Mr. Timbrell: It's a right of veto, is it not?

Mr. Matthews: We must agree. If you wish to put it—we must agree.

Mr. Makarchuk: If you don't agree with the bill that Shell sends you for consultants, then you have a chance to what? To get out of the agreement?

Mr. Matthews: They want the agreement; we want the agreement. Yes, we resolve the problem.

Hon. Mr. Timbrell: Even before the bill, though, you would deal with the question of whether there is going to be a consultant and the breadth of their work and the estimated cost.

Mr. Matthews: The programmes are all budgeted and planned. That is done in concert. We are using the best expertise we can get to assist us in this area, not being experts ourselves.

Mr. Lewis: I have faith in Hydro's ability to pay whatever Shell exacts. I have always felt that about Hydro, that there are no limits to its capacity to pay.

**Mr. Matthews:** May I take exception to that?

**Mr. Lewis:** I am sure you can. It was said in a friendly way, just as an observation about Hydro.

**Mr. Norton:** Isn't it always?

**Mr. Chairman:** Mr. Philip was the next who indicated—

**Mr. Norton:** Mr. Chairman, I have a supplementary question that I would like to ask, if the subject matter is going to change before my questions become totally irrelevant. While we are on this very subject—

**Mr. Chairman:** I imagine we might get back on to it again.

**Mr. Lewis:** For coherence it is nice to keep to the same subject.

**Mr. Norton:** Oh, you want to allow Mr. Matthews to go home for dinner?

**Mr. Chairman:** All right, if the committee so wishes, fine.

**Mr. Lewis:** Fair enough.

**Mr. Chairman:** All right, Mr. Norton.

**Mr. Norton:** It relates to Ontario Hydro's commitment in this venture. I wonder how Ontario Hydro proposes to finance its share of this venture. Is it to be done by the issuance of debentures, the cost of carrying which would be added to the rate structure at the time of entering into this venture?

**Mr. Matthews:** Yes. We haven't at this stage settled how we would finance a production venture because then you are talking about all those large sums of money. All I can say is that that's a matter that will be reviewed by our financial people, and we will be guided as to what they want us to do in that area.

**Mr. Norton:** Then perhaps I could ask a question of the minister. Was any consideration given to the possibility of the Ontario Energy Corp. entering into this venture as opposed to Ontario Hydro, so as to keep the costs of this speculative venture from in any way becoming part of the rate structure of Hydro at the present time or in the immediate future?

**Hon. Mr. Timbrell:** The Energy Corp. has had a number of proposals before it this year. We determine that the Energy Corp. has committed its funds as far as it can, and that's

one reason why we didn't entertain them any further. And the second is the fact that since the ultimate purchaser and user of the particular commodity is Ontario Hydro, we thought it more appropriate that they involve themselves in that—as they are involved in such things as coal projects in western Canada, this sort of thing.

**Mr. Norton:** Then, if I might just editorialize for a moment, I hope that the government, and particularly the ministry, will watch very carefully the possible implications of this venture upon the Hydro rate structure in the future. Because it seems to me that with the problems we are having at the present time in terms of our energy costs in this province, that we really ought not to get into a situation where venture capital is derived from the rate structure for the energy in this province, which is paid by everyone from the smallest homeowner to the largest industry.

**Hon. Mr. Timbrell:** When it's a case like this where you are trying to ensure that in future years you won't have to extract as much from rates to operate the system, to keep down your fuel costs, then we think it is the interest of the ratepayers.

**Mr. Norton:** I would agree, except that there is also a question of where and at what time that ought to be paid; whether it ought to be paid by users today for the benefit of users in 20 or 30 years' time—or whether it ought to be spread over a much longer period of time by means of some other method of financing. This, I think, is perhaps an endless debate that we've had with Ontario Hydro, but more specifically with some of the public utilities commissions in this province.

**Mr. Chairman:** The next on the list is Mr. Philip.

**Mr. Lewis:** Mr. Chairman, I was speaking at two minutes to 6 last night and wondered if I could continue. I won't be very long. I just want to be reinstated in this.

**Mr. Chairman:** Yes, in fact I was going to send you a note asking if you and one of your colleagues want to make an arrangement in view of that fact. According to the list given to me, you are sixth on the list. I was going to ask Mr. Philip or Mr. Davison if they would agree to make that change to accommodate that.

**Mr. Lewis:** Where is Mr. Davison on the list?



Mr. Chairman: Second, Mr. Philip, Mr. Davison and then Mr. Burr.

Mr. Lewis: Okay, go head—then I will follow.

Mr. Philip: Mr. Chairman, I'd like to impress on the minister the serious situation faced by the retail gasoline operator in this province. I think that he knows my concern with it from the questions that I have been asking in the House. I feel somewhat humble in this pursuit since he has already received briefs from the Ontario Retail and Automotive Gasoline Service Association, from the Car Wash Owners' Association, and from the Canadian Federation of Independent Business—yet still no action seems to be coming forth.

I travelled on Sunday to Peterborough to meet with a retail gas service station owner who, at age 50, was being forced out of business; a man who had been contributing to his community over the years; who had built a business; a man who was particularly well known in the area for taking on employees who had trouble finding work elsewhere. At the present time he has a mechanic who is suffering from MS and occasionally has to be given leave to rest during the daytime. This man who still acts as a facilitator in the community, is being forced out of business by the oil companies who, clearly, don't want him to be there. There is a petition going around the city now, supported by businessmen and by doctors, lawyers and by all the customers of the man. They say: "For heaven's sake, keep this man here. We badly need him. We have been dealing with him over the years. What is this man going to do at age 50?"

Hon. Mr. Timbrell: Can you indicate how he is being forced out of business, please?

Mr. Philip: I think it will be indicated to you in the submission that he is presenting to you. He is simply being told that his volume is not high enough and that his lease is being eliminated.

Hon. Mr. Timbrell: What is his volume?

Mr. Philip: I don't have the figures with me at the moment, but I'll be glad to get them for you, sir.

Hon. Mr. Timbrell: Do you know what percentage of volume he's dropped?

Mr. Philip: No, I don't have that.

I was speaking this morning to Mr. Robert Pyke, who is the president of ORCA. He

informed me that he had just come from his banker. He had to float another loan to stay in business. He had been in the business for eight years. He has made one request after another to obtain non-leaded gasoline. He hasn't been given that gasoline, and after eight years he's actually in worse shape now than he was eight years ago when he first started in the business.

[4:30]

I would like to read for the minister the resolution by the Consumers' Association of Canada which he said he hadn't heard of when I asked him in the House the other day. It is resolution No. 17 from its convention which states:

The CAC urges the Minister of Consumer and Corporate Affairs to initiate an investigation of structure and prices in the oil industry to determine, in the interests of increased competition, if the said oil industry should divest itself of its retail outlets.

Clearly, the Consumer's Association is concerned about the vertical integration of the oil industry and it is speaking not on behalf of the dealers but, of course, on behalf of the consumers.

I would like to ask the minister—no doubt he has seen the statement in this morning's Globe by one BP dealer, who asked to remain anonymous.

"They could take away my lease in 30 days if they wanted to," a dealer said. "If they read what I am saying they will think I am a troublemaker. Then they will give me 30 days' notice, close me up and set up a self-serve station."

That is the kind of intimidation which many of the dealers seem to be facing: the ones I have been talking to.

I would ask the minister if he has not considered all the various bills which have been introduced in the United States? I have them before me and they are certainly a weighty sort of number. The bill in Maryland and several other states clearly indicates the need for divorce legislation which will get the oil companies out of the retailing end of the business.

Clearly the consumers are asking for it or at least for an investigation of it, through the Consumers' Association of Canada. Clearly the independent businessmen are asking for it through Mr. Bulloch and through other representatives of their association. One survey done in one riding which admittedly is not conclusive—it was done by my colleague from Windsor-Riverside (Mr. Burr) in his own

riding—clearly indicates that his constituents favour legislation which would prohibit the oil companies from operating service stations.

I am concerned about why, with all this great number of people, business interests, consumers and the dealers themselves, no action is being taken when it has been taken by our colleagues in several American states? It is being urged by so many people and I would like to ask the minister if he would be good enough to allow me to read the proposals made by ORGA in a more recent brief to him. It is a brief presented a few weeks ago, as I understand it. I would like to ask where he and his colleagues stand on each of the proposals. There is a series of short-run proposals until the final commission report. The first proposal in the short-run proposals is:

One refinery gate price to all. The government legislation should compel the oil companies to charge the same price to their own company-operated stations as they do to lessees and other dealers. If a refinery gate price was introduced, which would be freely available to all, then true competition would return in the marketplace and would force each dealership, whether company-operated or independently-operated, to compete on equal terms.

I would think that the Conservative Party, since it claims to be the party of free enterprise, would surely enjoy this kind of free enterprise type of competition. I wonder what the minister's objection, if any, would be to that.

No. 2 was:

No subsidies to company-operated stations. To ensure that the system works fairly, the legislation would have to prohibit hidden subsidies to company-operated shops, such as special rental agreements or other support systems that would undermine the equality of price that would arise from a refinery gate pricing system.

[Third point:]

A freeze on opening of company-operated stations. A freeze on company-owned and operated stations should be instituted to minimize further disruption of the marketplace. This would compel the oil companies, if they wished to open more self-serve stations or other large stations, to lease these stations to independent dealers.

[The fourth one:]

To enact franchise legislation to protect the dealers.

I'm sure that the minister is familiar with the content of that.

Lastly, of course, is the long-run proposal which is to enact divorce legislation.

We can wait for the Isbister commission to bring down its report but while we're waiting in the city of Windsor, I understand from reports in the paper attributed to the mayor, there are no mechanics left in the centre core because the independent service station lessees have all been put out of business. We can wait until people like Bob Pyke and others gradually go out of business or we can take some kind of action now which at least will be a stalling action until the Isbister commission brings down its report. I would ask if you would like to comment on these.

**Hon. Mr. Timbrell:** Mr. Chairman, we did discuss this briefly about an hour ago before the member came in. What I indicated at the time was that—

**Mr. Philip:** I understand it was very briefly.

**Hon. Mr. Timbrell:** Define it your way. However, I indicated that the Minister of Consumer and Commercial Relations (Mr. Handleman) and I met with Mr. Bromstein, who was counsel for ORGA. I believe he's also counsel for the Federation of Independent Business.

**Mr. Philip:** That's correct.

**Hon. Mr. Timbrell:** And Mr.—

**Mr. Philip:** Ian Angus?

**Hon. Mr. Timbrell:** No. What was the gentleman's name? He's secretary-treasurer of ORGA.

**Mr. Philip:** Ian Angus.

**Hon. Mr. Timbrell:** No. I believe the gentleman's name was Sandford. He was a Shell dealer in the Rexdale area, probably in your riding. What we undertook to do in the ministry was to review their proposals, particularly their short-term proposals, and to discuss them with the royal commissioner.

The Minister of Consumer and Commercial Relations undertook to look at their comments on franchise legislation; in particular, at that time, they gave a fact sheet on Mr. Pyke's problem. As I recall, the minister was going to have his people look at that.

We agreed that the two ministers and the appropriate staff would get back together to consider what can be done in the short-term, in the interim, before the end of the work of the royal commission in about 3½ months' time.



I think it's fair to say we've pretty well concluded our review and as soon as we are free, if you will, and we have the time to sit down with the Minister of Consumer and Commercial Relations and his people, we will do so.

The main point of the ORCA brief was this business of the refinery gate price. I put another suggestion to them—which we are throwing into the hopper for our consideration—which would be for every retailer in the province to be required to post on the pumps a list of the components of the price per gallon, the tank wagon price and what that includes. As you know, some stations now show all of the taxes.

Again, before you came in I listed all the taxes and it's 33 cents total—federal excise tax, federal sales tax and provincial gasoline tax—plus 32 cents, of which roughly 25 cents is the cost per gallon for crude oil and seven cents is for production costs. So 65 cents is roughly the figure. Then there's an amount added on top of that by the oil companies. I suggested they would show the tank wagon price and what that's made up of. They would then show their operating margin, which we know varies anywhere from seven or eight cents to 18 or 19 cents that the retailer actually tacks on to his or her tank wagon price to arrive at the price they charge their customers. So we're throwing that into the hopper as well as a consideration. I do express a concern—

**Mr. Philip:** Several of them are already doing that, though, and they are still going bankrupt in the process. I would be willing to take you to Mr. Pyke's station and several others in that area where they have posted prices for the consumer to see. In their words, and not mine, it is "ripping off the motorist." All that it means is that people sympathize with you as they go across the road then to buy the service from the self-serve gas station.

**Hon. Mr. Timbrell:** I am coming to that. The one concern I expressed was I can see that one of the implications of this, without some ultimate resolution of the whole question of the price of oil in the country and the province, could be higher prices for the consumer. The lowest prices right now are being charged by the independent dealers, people who run stations under the DL sign or the XL sign or Eagle, or something like that, and the company-operated self-serve centres. I expressed the concern—and this was just at the time I received the brief and we are going into it a little bit more—

that it might result in higher prices, in the short term.

**Mr. Philip:** How do we know, though, it is lower prices? How do we know that it isn't the fellow who is going to the independent service station lessee who is subsidizing the industry or the industry through the profits they are making from him; that they are not subsidizing the operations of the company-owned-and-operated service stations? We have absolutely no proof that the company-owned-and-operated service stations are actually running at a profit or even clearing. Therefore, you may be sure that the oil industry is not taking the loss in that sector without making it up somewhere else. They'll charge us for parts or some other thing.

**Hon. Mr. Timbrell:** We don't have all the facts; or for that matter, neither does ORCA. However, we do have an opportunity through the Isbister commission to get the facts on that.

**Mr. Philip:** You would be willing then to urge the Isbister commission to force the companies to actually audit the operations of their self-serve stations to reveal a profit or loss picture on those stations? Is that what you are saying?

**Hon. Mr. Timbrell:** I think you will find that all the information on this will come out. As I understand from what the commissioner has told me and told my staff, you'll find that all this information will come out in phase two of the hearings, which start tomorrow. Is he having a meeting tomorrow in Toronto?

**Mr. Frame:** Yes, an administrative or organizational session tomorrow.

**Hon. Mr. Timbrell:** They are starting on that phase, so that will come up.

**Mr. Philip:** I am told, if I may quote Mr. John Bulloch and some of his colleagues, that when they ask these companies for these audits that the companies themselves have never actually calculated whether these self-serve stations are operating in a profit or loss position.

**Hon. Mr. Timbrell:** Who was this who posed this question?

**Mr. Philip:** Bulloch claims that he has asked them, and that they claim they simply don't have the figures.

**Hon. Mr. Timbrell:** I think you'll find the figures will come out in the commission hear—



ings. You mentioned the CAC resolution—and I still haven't seen that, by the way; it still hasn't come to me.

**Mr. Philip:** I will be glad to give it to you right now.

**Hon. Mr. Timbrell:** That could be just simply due to the mail strike; I have not received it.

I think they are quite right. As I mentioned yesterday, we intend to talk to the federal minister and the other provincial ministers about it on Dec. 12. What they're referring to there is a national study, through the Department of Consumer and Corporate Affairs, in order to develop the total picture—and I think we would support that. I have two copies here. Do you want one back?

[4:45]

**Mr. Philip:** No.

**Hon. Mr. Timbrell:** Keep the copies. I realize that some of the States have got into divorce legislation. Correct me if I'm wrong, but I think that the oldest such legislation is only about a year and a half or two years old. Am I wrong? I don't think it's very old but the experience with it is rather new. That again will be discussed at the Isbister commission. The whole question of the relationship of the companies to the retail dealers will form a big part of the discussions at phase two of the hearings.

You mentioned the Windsor survey. I recall having a telephone conversation with the member for Windsor-Sandwich (Mr. Bounsall) about this; not about the survey but about the Windsor situation. This would have been about a week or 10 days after the provincial election. He indicated then that the last full service station in downtown Windsor was being converted to a self-serve operation. I don't know whether he said if it was going to be company-run or whether it was going to be lessee-run, but his concern was the fact that—

**Mr. Philip:** Can the minister name any self-service operations in this province that are privately run lesseeships? If so, there are certainly very few.

**Hon. Mr. Timbrell:** Not offhand. I don't know.

**Mr. Philip:** I've challenged the oil companies in news releases and in statements that I've made. I know Pyke and a number of other people have challenged them to show us one self-serve that is leased out. None have come to our attention.

**Hon. Mr. Timbrell:** I don't know of any offhand but I do recall asking what the prices were. Of course, they were lower.

**Mr. Philip:** Yes, but you see the self-serve thing is a red herring that has been brought into it.

**Hon. Mr. Timbrell:** I know the problems.

**Mr. Philip:** Nobody objects to self-serve per se but what we're concerned about is whether the oil companies are operating the self-serves or are, in fact, using them as a lever to force the independent service lessee out of business. It may well be that there are independent service station lessees who could use self-serve as a merchandising vehicle. I don't think that anybody would question that, at least not on economic grounds. We might on safety grounds or some other thing but that's a side issue at the moment.

**Hon. Mr. Timbrell:** Yes.

**Mr. Philip:** So self-serve is really a red herring that has been brought into it as somehow trying to coerce the consumer into thinking that supporting the retail dealer is going to cost him money.

**Hon. Mr. Timbrell:** I'm not trying to do that. If you take that interpretation, I'm sorry. What I was trying to point out is that this is an element of the problem. We all recognize that the cost of running a self-serve is obviously lower as compared to what Mr. Pyke or any of the full service stations in my area have to charge, where there is more staff and more cost. All of these things have got to be considered by the royal commission. To answer your question, we are looking at it between our ministry and Consumer and Commercial Relations and will, as soon as we can, get back together to determine if there is something we can do to assist the retail gas operator in the interim, between now and the point at which the commission is completed.

**Mr. Philip:** Would you be prepared to enact some kind of a freeze on the opening of any more company-operated stations until such time as the recommendations come through?

**Hon. Mr. Timbrell:** That is one of the proposals they've put forward. I want to deal with the proposals as a package with my colleague and take them to cabinet.

**Mr. Philip:** When do you expect to have an answer for these people? They are going

bankrupt by the minute and going out of business by the minute.

**Hon. Mr. Timbrell:** Hardly by the minute.

**Mr. Philip:** Maybe you should talk to Mr. Pyke's banker to find out, but—

**Hon. Mr. Timbrell:** I haven't talked to Mr. Pyke's banker, but I have talked to dealers in my own area and I have talked to dealers in other parts of the province. I know a number of them are facing problems. Several of them have freely admitted that 1974 was the biggest year that they ever had. And I think that is true generally of the whole retail sector of the petroleum industry, or so these men in my area claim.

Again, the problem is that they want to avoid some of the boom and bust of the retail side of the petroleum industry, the price wars and that sort of thing.

**Mr. Philip:** The press is bringing out some pretty frightening things about intimidation. Are you prepared, you or—

**Hon. Mr. Timbrell:** This would be the Ministry of Consumer and Commercial Relations.

**Mr. Philip:** No. But are you prepared to recommend to your government to do an investigation of the alleged intimidation of the dealers by—

**Hon. Mr. Timbrell:** If you have got the specific instances of intimidation, give them to me and I'll pass them on to the Minister of Consumer and Commercial Relations.

**Mr. Philip:** Surely it is the responsibility of your government when you see things like this reported in the newspaper—not only my responsibility—to go after them.

**Hon. Mr. Timbrell:** They could already be checking them out, I don't know. But we can refer them to him.

**Mr. Burr:** That is what the mayor of Windsor wanted shortly after the election, because—

**Hon. Mr. Timbrell:** No, well—

**Mr. Burr:** Yes, I did.

**Hon. Mr. Timbrell:** Whom did you speak to?

**Mr. Burr:** I have forgotten who it was.

**Hon. Mr. Timbrell:** Right, because I talked to the member for Windsor-Sandwich (Mr.

Bounsall). I didn't realize you had called Mr. Ball.

**Mr. Burr:** But this was the urgency of the matter. The stations seemed to be getting these self-serves in rapidly in anticipation of some government action that would put an end to it.

**Mr. Lewis:** Mr. Chairman, I want to follow up some of the points that have been made and express some personal reservations. My colleague from Etobicoke makes a pretty powerful point, which is not being grasped firmly enough. It strikes me that if I hadn't been delinquent I should have pursued it today at question period and maybe should on Thursday with appropriate ministers.

When there are a number of reports in the newspapers of individual service station owners giving to reporters, giving to journalists, information about which they feel uncomfortable and they must remain anonymous because they fear intimidation or abuse or loss of lessee status, that is something that a government should investigate. Sidney Handleman or the Attorney General (Mr. McMurtry) should attempt to do a pretty serious investigation about this situation.

It may be that a reporter wouldn't want to violate confidentiality of the number of service stations surveyed and the people with whom he or she was speaking. On the other hand, the Globe, if I recall, made it clear that there were about 130 stations involved in and around Metro. BP stations seemed particularly vulnerable in the story. They could be pursued individually.

I am resentful enough of the behaviour of multinational corporations and the world of high finance. It really sticks in the craw when they begin to descend on small and pretty vulnerable service station lessees in a way that makes people feel so intimidated they must shut up or remain anonymous. It is not the way a free and democratic society normally operates.

**Hon. Mr. Timbrell:** I agree with you. I am not familiar enough with the franchise legislation or the guidelines to know exactly how they work through the ministry. I do agree because I have talked to local businessmen in my own riding, friends of mine, who are faced with some pretty serious crunches, and I agree.

**Mr. Lewis:** I worry about this whole area from personal experience, having received letters from the Pykes of this world and having received material very emotive and compelling from some individual service station



operators, and having heard, as so many others did, from the mayor of Windsor.

I asked some members of our research group to begin to compile—I have a good deal of the material with me. I'm not going to use it right now—some of the case histories of some of these individual service station operators. It was really tough to get people willing to allow their names to be used. They were truly frightened about the consequences if the multinational descended on them, or simply cancelled the lease. Ideology aside, that's just crazy.

**Hon. Mr. Timbrell:** It is clearly within the area of franchise legislation.

**Mr. Lewis:** It is in the area of franchise legislation, which brings me back to a kind of counterpoint to what the member for Etobicoke was putting. The Isbister commission investigation is not the first investigation of the problems between the lessees and the multinationals. The Grange report in 1971, reports which preceded it, whole analyses of franchising arrangements and relationships have been conducted year after year. The miseries of those who belong to ORGA and the problems in the industry have been chronicled time and time again.

It isn't as though Isbister is going to discover divine truth. Isbister is simply going over the same ground. The great pity of it is, that at this point in time, given the events of the last two or three years and the pricing realities, that a lot of individuals are going under. Many of them feel extreme economic hardship. While it may not be on an hourly basis, it is pretty frequent. The rate of service station closure is certainly a rate which exceeds that of the normal, private, business, establishment.

I'd be willing to venture that the vulnerability in that sector of the economy seems very fierce and I just don't think that you can allow quite so many private entrepreneurs to go down the drain while we await commission after commission to reaffirm what everybody knows.

**Hon. Mr. Timbrell:** Would you not agree though, in fairness, that one of the problems—and take your own municipality, where I grew up—is the number of stations that have been allowed by some of the municipalities? From the Ollie Crockford days to the present, it seems as though in planning, in the borough of Scarborough in particular, the policy has been to put a gas station on every corner. That has been one of the problems too.

Take the municipality in which I now live, part of which I represent, where there is a bylaw—and this authority is available to any municipality—that limits the number of stations for any number of reasons, one being aesthetics, the other being to allow the small businessmen to have a fair chance to compete without being deluged. You only have to choose any number of corners in your riding or any other part of Scarborough to find illustrations of a gas station on every corner. Many of those have closed, not just over the last two or three years, but over the last 10 years. They just couldn't make a go of it. There was too much competition.

**Mr. Lewis:** Happily my residence in Scarborough has always been sufficiently impermanent that I've never really known of the history of the development of the borough—

**Hon. Mr. Timbrell:** We won't get into that.

**Mr. Lewis:** —although visually I can see what's happened and it's enough to cope with the transgressions of the present let alone to worry about what the borough has done in the past. But I'm not so sure. I mean I understand what you are saying and I'm sure that's a complicating factor.

**Hon. Mr. Timbrell:** Look at Eglinton Ave., or Lawrence Ave. Take another sector, namely the food sector, and look at the number of fast-food outlets that have closed. I hate to use Scarborough again as an example, but it is one with which I am very familiar, having grown up there.

**Mr. Lewis:** I don't understand what this personal assault of yours is on the planning in Scarborough. I shall bring it to the attention of the various politicians. I would, of course, defend it to the death.

**Hon. Mr. Timbrell:** His Worship the mayor of Scarborough, who doesn't share my political philosophy, I think would agree that planning in the borough of Scarborough, and this is true in so many areas over the last 20 years, has been abysmal.

**Mr. Lewis:** Fair enough.

**Hon. Mr. Timbrell:** That has hurt the small operators in a number of sectors: Retail gasoline, fast-food outlets and so on.

**Mr. Lewis:** I don't deny it, but if you speak to the operators who are in trouble today, they do not see their trouble flowing from too many operators on multiple corners. They see their trouble flowing from the behaviour of and arrangements with the multi-



national oil companies. That's what they tend to feel.

[5:00]

**Hon. Mr. Timbrell:** I realize that.

**Mr. Lewis:** What worries me is that we sit here and contemplate so amicably yet another royal commission into a subject which has been hassled to death in the hope that you will do something about it. In the meanwhile, these private entrepreneurs—I want to tell you that philosophically I have a lot more feeling for the small and private entrepreneur than you Tories will ever have and so does the New Democratic Party.

One of the things which really bothers me about this whole discussion is that these private, small service station operators, lessee or otherwise, are truly being damaged while you, as a government supposedly protective of the free enterprise system, sit by and watch the multinationals run roughshod over them. You have never been moved to intervene no matter how many reports on franchising legislation there have been or how much evidence has been brought to your attention. God knows you have had evidence brought to your attention.

It has come to the point that when I go to speak, as I did today, to the Downtown Businessmen's Council in Toronto, I know I have much more in common with their small- or middle-sized entrepreneurial concerns than any Tory will ever have. That worries me because that's not the normal ideological relationship.

**Hon. Mr. Timbrell:** If that were true and—

**Mr. Lewis:** I am always uncomfortable about abnormal relationships, deviant or otherwise.

**Hon. Mr. Timbrell:** If it were true, it would worry me, but I don't believe it anyway.

**Mr. Lewis:** Let me say something about this Isbister commission.

**Hon. Mr. Timbrell:** May I make a rejoinder? I have never appointed a royal commission before. I have been Minister of Energy only a short number of months. All I can do is say to you my concerns are in this order: first, the consumer, the purchaser of the product, and then the retailer. I think it is possible to serve them both.

**Mr. Lewis:** Yes.

**Hon. Mr. Timbrell:** All I can say, as I have said time and time again, is that I am com-

mitted to that and sincerely want to ensure that no retailer is adversely affected by extraordinary forces. At the same time we don't want to put them in a situation in which they can charge the public what they will. It has to be competition and the public has to have a fair shake.

**Mr. Lewis:** What do you do if your commission reports in February or March and effectively documents the ORCA case; draws to your attention that the contractual and franchising relationship with the oil companies has been prejudicial to the economic survival of the small lessee; and you have concrete evidence of a dozen, 15, 20 or 30 lessees around Ontario who have been forced out of business over a period of four to six months as a result of the prejudicial contracts? What do you do? How do you retrieve their economic lives for them? How do you restore to them what they once had?

**Hon. Mr. Timbrell:** I am not sure.

**Mr. Lewis:** You don't. You simply don't.

**Hon. Mr. Timbrell:** I am not sure that anybody has the answer to unmake or do something.

**Mr. Lewis:** The kind of freeze my colleagues have talked of may help in that regard. All I am putting to you is that a pattern which is persistent, which you are yet again examining, leaves in its wake a lot of people whose businesses are ruined and therefore whose economic lives are ruined. Everybody seems to take it in such easy measure.

I am not saying that you are insensitive to the reality. Of course not. I understand. You feel it and worry about it but it seems to take so blessed long and there are never any protective features along the way. It really worries me.

**Hon. Mr. Timbrell:** There is a station in my area, about two blocks from my home, which has been converted. You are talking about three months. It is about a four- or five-month process to convert a station. I don't think we are talking about that many which could be converted. I don't think we are talking about something that couldn't be—if there was a decision to go the route of divorcement, I don't think you are talking about a situation which couldn't be undone and turned back to private lessees.

**Mr. Lewis:** That is interesting, if you would keep that option open. I don't know how these things can be made retroactive;

I don't know how you restore a business to someone who has lost it. I worry about the commission and I think I have to express it to you here and publicly, not in a pejorative way; and I worry about the government's response to the commission.

I worry about any royal commission which didn't make all of the hearings public. I worry about a commission which did not feel it mandatory or did not feel it obligatory to make all of the financial and economic information public. Without casting aspersions on the commissioner, who is clearly a knowledgeable and able man, I think the commission is faulted from the outset by its refusal to deal publicly with the multinationals.

**Hon. Mr. Timbrell:** May I answer that point? I was concerned about this as well and asked the commissioner to come to my office to discuss it.

First of all, the commission is being conducted, as all royal commissions are, under the Public Inquiries Act. Any royal commissioner, I'm advised by legal counsel, is required by that Act to take in camera, whether the witness be a private individual or a corporate body—I can't remember the wording of the statute—evidence which is of an intimate or financial nature. The commissioner then has the right, before he completes his work, to re-examine what he has taken in camera and to determine whether, in his opinion, it is possible to make it public and not in any way be injurious to the interests of whoever gave the information.

The commissioner indicated to me by way of a memorandum two weeks or three weeks ago that he does not foresee the need to have any in camera sessions during the second phase of the work of his commission.

**Mr. Lewis:** What happens to the material tendered in camera in the first phase?

**Hon. Mr. Timbrell:** When he completes his work, he has said, he will re-examine and make his decision as to whether or not he feels he can release it. Whatever he thinks he can release will be released. The material he doesn't release is then sealed and sent—maybe it has already been sent—to the Provincial Archivist and it is then up to the Deputy Attorney General. Am I correct in this?

**Mr. Lewis:** To the Provincial Archivist?

**Hon. Mr. Timbrell:** Yes.

**Mr. Lewis:** It's quite quaint.

**Hon. Mr. Timbrell:** No, that's where all documents are stored. Of course, our archives

aren't what they should be since they were sold in 1934 and he's only got 40 years of material to work with.

**Mr. Lewis:** I want to understand this because it's almost too exotic to cope with. The commissioner would send what he felt he could not, in conscience, reveal of the financial information of the oil companies received in camera, to the Provincial Archivist—

**Hon. Mr. Timbrell:** In sealed files.

**Mr. Lewis:** —in sealed files. The Deputy Attorney General would decide what?

**Hon. Mr. Timbrell:** He could decide whether it should be made public once the commission no longer exists, when the work is completed. He would decide when it could be made public. Have I covered the ground on that, from what Mr. Isbister told us?

**Mr. Lewis:** But it is largely when it's made public rather than—don't Deputy Attorneys General and Provincial Archivists, who meet over gin gimlets in late afternoon at the Park Plaza as a rule, decide that in 21 years hence, when it doesn't intrude on anyone's reputation, the material can be made public for some MA's thesis purpose?

**Hon. Mr. Timbrell:** You haven't met the Provincial Archivist. I think he would throw up at the sight of a gin gimlet.

**Mr. Lewis:** More's the pity and more's the suspicion.

**Hon. Mr. Timbrell:** It may be a popular drink in Florida but I don't know about him.

I'm not entirely sure what the practice is but I'm advised that once a commission ceases to exist as a legal entity, in other words, once the commissioner's work is done, he has no control over the material. It is then in the hands of the Archivist for safekeeping on Grenville St.

**Mr. Lewis:** And the Deputy Attorney General makes the decision?

**Hon. Mr. Timbrell:** The Deputy Attorney General then has the right to determine what can be released and when.

**Mr. Lewis:** Then it is quite clear that it will never see the light of day.

**Hon. Mr. Timbrell:** Not necessarily.

**Mr. Lewis:** It is to me. In my prejudiced, conspiratorial mind I believe it would not be made public.

**Hon. Mr. Timbrell:** That is a shortcoming of yours.

**Mr. Lewis:** That is one of the things that I labour under and I am prepared to admit that when it comes to the financial data of the oil corporations, if left up to this government, we'll never see it.

**Hon. Mr. Timbrell:** You will have to wait and see.

**Mr. Lewis:** Yes, I suppose I will. However, I repeat what I said earlier, I worry about a commission which saw possible to take evidence in camera and did not release the financial data.

**Hon. Mr. Timbrell:** Excuse me, not only saw possible but is required by the Public Utilities Act.

**Mr. Lewis:** Fair enough, but had the right to review it and make it public and decided against it. I want to tell you—and well you know—we're not dealing with your hokey, mildewed entrepreneur; we are dealing with Imperial Oil, and you don't play around with those people. Every specific they give you, you make public, because that is now a public obligation.

I don't understand this whole business of what the commissioner did or the way he approached it. I know that when I was dealing with the commission initially and wanted to make a submission, I got letters. I don't have them with me but I wish I could read them to this committee because they would keep you all uproariously amused for quite a while. I got letters from the commission so filled with legal gobbledegook I couldn't decipher them. I'm not bad at deciphering letters as a rule.

**Hon. Mr. Timbrell:** On what subject?

**Mr. Lewis:** On whether or not I should even be allowed to appear. If they can't write a letter on whether or not someone can appear before the commission, imagine how they handle the financial data from the multinational corporations.

**Hon. Mr. Timbrell:** If you've read the report, you will find—

**Mr. Lewis:** I've read the report.

**Hon. Mr. Timbrell:** —the commissioner does comment on the material received in camera.

**Mr. Lewis:** I know.

**Hon. Mr. Timbrell:** He expresses a concern—and I would take this as a sincere and legitimate concern—that he does not want to put himself in the position of being an agent of price fixing.

**Mr. Lewis:** Yes, I know. I regard it all as so farcical that you're not going to be able to engage—there are some things we can engage in in a serious discussion about, but that is not one of them. That Claude Isbister considers that he will engage as an agent in price fixing, were he to release the financial data of the oil companies, is something I do not regard as possible.

**Hon. Mr. Timbrell:** I think really the resolution of this discussion will come with—

**Mr. Lewis:** With the next report.

**Hon. Mr. Timbrell:** You're right, with the finalization of his work. He may very well decide that by that point the information he received in camera in August and September is out of date and therefore not likely to fall into the category of signalling to one part of the industry the intentions of another part and therefore not put himself in the position of being seen to be assisting in price fixing.

**Mr. Lewis:** I see. He wouldn't then be in danger of disrupting the competitive forces in the oil industry, so he might be able to release the information. What the hell kinds of games are we playing? Forgive me, Mr. Chairman. This is Imperial and Shell and Gulf we are talking about. We're not talking about Wilson's cigar store at whatever corner it is. Claude Isbister, as able as he is—I appeared before him and he is clearly a man of some perception and brightness and knows his field—

**Hon. Mr. Timbrell:** And integrity.

**Mr. Lewis:** I am sure he has integrity but I have a very great difference of opinion about the way in which the commission is proceeding, about a commission which is prepared to take evidence in camera on the financial relationships of the oil companies and then not see fit to release it automatically, and about a commissioner who didn't express any view at all on the inventory arrangements which he discovered, the inventory figures which he discovered.

**Hon. Mr. Timbrell:** We have asked the commissioner, in preparation for the federal-provincial conference on the 12th, because we want to talk about petroleum on a national basis, for figures on inventory. I be-



lieve he has indicated he is going to give us a letter on that, which we will release.

**Mr. Lewis:** He produced figures on inventory and you took it upon yourself to take the price freeze off. Claude Isbister took it upon himself not to say anything at all. It was a magnificently neutral document. That worries me, because in the field of oil pricing, neutrality finds in favour of the companies.

**Hon. Mr. Timbrell:** Excuse me, I don't think it's fair to say it is a neutral document. In many places it clearly disagreed with the stated positions of the oil companies. Where they took the position that in the average inventory exploration should be considered, he says no. Where some of the companies said they should be allowed to recover losses during the freeze—I am paraphrasing him—he said that is a no-go. He clearly disagreed on a number of occasions with some fairly firmly stated opinions and principles of the oil industry.

[5:15]

**Mr. Lewis:** I read that part of the report, too. In effect, it said any consumers who disagree with the oil company should be hanged in the village square.

**Hon. Mr. Timbrell:** Not at all.

**Mr. Lewis:** The commissioner found that was a no-go, to use your word. In other words, there were propositions put by the oil companies which were so outrageous that any mortal would have to find them so and say so.

The content of that first report was essentially neutral. He found when the inventories had allegedly run out; put it all together in a table of figures; said nothing about 1974's inventories; and felt it unnecessary to make any comment of a judgemental kind at all. Therefore, the government moved in and took off the freeze.

**Hon. Mr. Timbrell:** Clearly, much later than he was suggesting it should be taken off.

**Mr. Lewis:** That's what I mean. There is in that first report a remarkable affinity for the position of the oil companies. With the best integrity in the world, Mr. Isbister found himself finding the arguments of the oil companies largely sympathetic. That worries me, therefore, about pricing in the next report because, without knowing anything at all, you people took the price freeze off.

Let me ask you a specific question. Do you know the costs of refining for Imperial Oil?

**Hon. Mr. Timbrell:** I know the rough cost of refining for the industry. It's roughly seven cents a gallon.

**Mr. Lewis:** Have you seen the figures from the various oil companies as to their refining costs?

**Hon. Mr. Timbrell:** I haven't seen them. Some of the staff may have seen them over the years. I haven't seen them.

I went through this earlier before you came in. We do know—we look at it on an industry-wide basis—that oil delivered to Ontario to the refineries is \$8.75 a barrel. That's the \$8 wellhead price or Alberta price plus the cost of transportation. We know there are 35 gallons in a barrel. Therefore we know that roughly the basic crude cost of a gallon of gasoline or heating oil is 25 cents. We know that roughly the cost of production, including losses in production—

**Mr. Lewis:** What is this roughly stuff?

**Hon. Mr. Timbrell:** It is 6.9 or 7.1; we round it out to about seven cents a gallon.

**Mr. Lewis:** On what basis?

**Hon. Mr. Timbrell:** This is the cost of production.

**Mr. Lewis:** Where are the figures?

**Hon. Mr. Timbrell:** This comes from the experience of our staff with the industry over the years.

**Mr. Lewis:** Where is all this material which shows the refining costs, the distribution costs? Put it on the table of this committee; let's see the figures of the oil companies.

**Hon. Mr. Timbrell:** There is no report on this.

**Mr. Lewis:** No.

**Hon. Mr. Timbrell:** This is from the experience of the people in our ministry.

**Mr. Lewis:** This is what the oil companies tell you is their experience, which you then simply monitor. Have you ever had a figure brought to you, independent of the figures submitted by the oil companies themselves? Has there ever been a hearing anywhere in Canada where the information garnered was independent of the oil companies themselves? Is Isbister getting his information from sources other than the oil companies?

**Hon. Mr. Timbrell:** Paul, do you want to answer? I'll answer some of that after. Paul Pinnington is dealing with the commission.

**Mr. Pinnington:** I might quickly refer to the seven cents per gallon; that is reflected purely and simply in the manufacturing costs within the refinery itself, from the time the barrel of crude oil arrives at the refinery until the barrel of finished gasoline arrives at the loading ramp. It includes the cost of vacuum flashing; atmospheric distillation; cat cracking; platforming, the whole complex processing of a barrel of crude oil; the addition of lead; and the reblending of the component products.

I would suggest to you, as a matter of verification of the seven cents per gallon, the federal excise people require data on a cross-country basis from the oil companies as to what their rack price would be—the price at the loading rack. They then charge 12 per cent of that as the federal sales tax. You can calculate back that that relates to seven cents a gallon or seven times 35 cents for a barrel.

**Mr. Lewis:** But the information comes from the oil companies.

**Mr. Pinnington:** I spent 17 years with one on this type of calculation. This is my experience in the industry, if that's of any value to you.

**Mr. Lewis:** As a matter of fact it's of enormous value but I'd love to see it. I'd like, somewhere, for some of us to have access to an audit and an investigation of the figures which the oil companies produce. With the best will in the world, your rattling off an alleged refining cost doesn't impress me in this committee. How do I know? How do you know?

You have a very able staff man; fair enough. I want to see the company's figures and I'd like to see their books and I'd like to know how they arrive at them. I'd like to know where all the costs are. I want to know from the well-head to the moment it comes out of the station in Don Mills; but I can't know that and how can you as a minister know?

**Hon. Mr. Timbrell:** I think you will see—of course again I am prejudging—I think you'll see this information come out in the second phase. I am concerned, as I expressed yesterday or late last week, that we do not, as a province, have the complete control one might want to have.

As I say again, we want to talk to the feds about petroleum pricing. We want to know

what kind of role they're prepared to play in this and what that would have to involve. As Mr. Pinnington points out they are in receipt and in possession of great amounts of information which they receive on a regular basis from the companies.

**Mr. Lewis:** Mr. Pinnington was right and I have no doubt that in his own 17 years of experience he feels that those figures are—clearly, he rattles off the terms so easily and comfortably that he knows his field, I know when I'm out of my depth.

I also know that when I hear you say the federal government has all kinds of figures which we do not have, there is no way you are able to demonstrate to this committee or to the world that the oil companies couldn't have absorbed the increased costs from \$6.50 to \$8 a barrel. You do not know, as a minister of the Crown, and Ontario doesn't know, the various costs from the well-head to the pump. You just don't know that in any particular or reliable detail, other than from the oil companies themselves. Whether or not that price could have been absorbed you'll never know; but you allowed them to tack it on for all the consumers of Ontario to pay the extra money as of last weekend.

**Hon. Mr. Timbrell:** I don't know that we will never know.

**Mr. Lewis:** Why shouldn't you know?

**Hon. Mr. Timbrell:** I think you're prejudging the extent of the work of the second phase of the royal commission. I think we're going to know.

**Mr. Norton:** May I ask what other sources of such information there might be besides the oil companies, whether we ask for an audit or whatever others means we use to go about trying to get that information?

**Mr. Lewis:** Independent government assessment of the oil company figures.

**Mr. Norton:** But we're still relying on oil company figures, are we not?

**Mr. Lewis:** Ultimately we will have to.

**Mr. Norton:** Are they any more reliable? Would you be any more trusting of those figures if they were made available?

**Mr. Lewis:** I would be trusting if a group of government lawyers and accountants could cross-examine oil company lawyers and accountants over production of the figures and do it in a public forum, in a public place with full reporting, not do it privately behind



closed doors as in the Isbister commission. That is no way to deal with the oil companies.

I know the limitations, and I'm sure Mr. Isbister feels them too, of an inquiry of three or four months into the oil world. It's ludicrous. It would take a couple of years to do a serious examination of the inter-relationship of these multinationals, to try to ascertain what is truly the situation in Canada. It would take us a long time to find that out.

Certainly no one in this province knows yet—without Isbister at the very least—what the costs are. It didn't take you a moment to get his report and say we'll slap on another 5.4 cents—or whatever it is—a gallon. You took off the freeze.

**Hon. Mr. Timbrell:** I'm sorry; we had the report Sept. 30.

**Mr. Lewis:** You sweated over it in cabinet to decide—

**Hon. Mr. Timbrell:** We had the report Sept. 30. As I read the report it suggests to me the freeze should have come off then. If anything we've erred on the side of caution.

**Mr. Lewis:** No; come on now. You made an election commitment.

**Hon. Mr. Timbrell:** We could have taken—

**Mr. Lewis:** During the election campaign you said it would go to Nov. 15. What were you going to do, change your mind in October?

**Hon. Mr. Timbrell:** We could have.

**Mr. Lewis:** Come on. Who are you kidding? You're still shaken, for heaven's sake. You're pulling yourselves together, I concede that, and you may be largely ambulatory by February. But in October you could never have reneged on a commitment you made for Nov. 15.

**Hon. Mr. Timbrell:** You must acknowledge, if you read the report of the commissioner, that is certainly an option.

**Mr. Lewis:** No, I don't consider that an option. An election promise to extend it to Nov. 15 couldn't have been forsaken. That wasn't an option.

**Hon. Mr. Timbrell:** I would suggest to you that it was; and if you take the report, the words of the commissioner literally as suggested by the date of his reporting, the inventories had already run out.

**Mr. Lewis:** Yes, I think that's true.

**Hon. Mr. Timbrell:** By keeping the freeze on until Nov. 15, if there is going to be any error we err on the side of caution, the side of the consumer.

**Mr. Lewis:** You allowed the companies to make a slightly lesser windfall profit on the inventories accumulated in 1974. They still haven't broken even, you know. The consumers have still paid through the nose for the inventories in 1974, when it went from \$3.70 to \$6.50 a barrel.

**Hon. Mr. Timbrell:** Three eighty.

**Mr. Lewis:** Three eighty to \$6.50 a barrel, the \$2.70 difference, the much larger difference. The oil companies still made a major windfall profit, even with your extension to Nov. 15, 1975; so don't talk about erring on the side of caution or extreme consumer protection. We've never protected the consumers of this province and we slapped on the increase last weekend without knowing whether it was merited.

We took your 35 gal. and we divided it into \$1.50 and we flummoxed around with the other tax factors and we came out with 5.X cents and we added it to the gallon. And you did that without knowing the real costs anywhere along the way.

In other words when the chips were down you found it possible to accommodate the oil companies, and so did Mr. Isbister. That worries me about the final report.

**Hon. Mr. Timbrell:** The main point of the commissioner's work, in the first phase, was to advise on inventories that had run out.

**Mr. Lewis:** That's right.

**Hon. Mr. Timbrell:** And he did so advise. He advised, in the light of the increase imposed by the federal government, what was a reasonable amount of increase at the point at which the freeze expired. He reported. He indicates in his report a number of areas he's going to get into later, in phase two.

**Mr. Lewis:** Fair enough.

**Hon. Mr. Timbrell:** I think, in many respects, Stephen, you're being a little unfair to Isbister in prejudging what he may or may not—

**Mr. Lewis:** I am prejudging, yes. I agree, and that may seem to be unfair, but all the warning signals are there for my prejudgement. Look, if we're wrong, I'll admit it to



you. I've admitted error many times in the past. It won't be the first time it's occurred.

But I'm telling you that all the storm signals are right there on the horizon from the Isbister commission. There is too great a willingness to accommodate the information and the arguments of the oil companies, and that worries me. That may be proved wrong, I'll wait and see.

In the meantime, having given the extra money per gallon, what the devil are you going to do about northern Ontario? I want to talk to you about that for a moment.

I've been in this House for a number of years, God help me more than 12 years now in the Legislature. I can remember back to the days of John Robarts. I can even remember back to the days when Charles MacNaughton was provincial Treasurer, and when he was considering bringing the oil companies into his office to have them explain the disparity between northern and southern Ontario to see if something could be done about it. Now, a decade later, we're still waiting for the Isbister commission report to demonstrate the obvious.

I want to understand how it is that the government is prepared to let northern Ontario go through yet another winter of discontent, paying the oil prices and the home heating fuel prices that you know they're going to be paying, while the disparity is maintained and never legitimized in a public arena by the companies.

I want to tell you, as a matter of common sense and logic, what should have been done. We've demarcated northern Ontario before for special attention. There is something called the Northern Ontario Development Corp. which deals with the north for special purposes.

**Hon. Mr. Timbrell:** Special municipal grants.

**Mr. Lewis:** There are special municipal grants which deal with an area defined as northern Ontario. There are even 14 or 15 ridings which most of us, as politicians, would designate lying in northern Ontario. It isn't as though you can't define that geographic area of the province.

A government that was sensitive to the north, or a government that felt that the people in the north had paid too much for petroleum prices and home heating fuel prices over the last several years, could quite comfortably extend the freeze through this winter period until the Isbister final report, rather than forcing the north into yet further payment awaiting the report.

It's really a matter of balance. If you're telling me that people in southern Ontario would resent the special protection which you could argue eloquently in public terms, I'd be surprised. People in southern Ontario might resent being ripped off by the oil companies, and everybody does, but the special position of the north is something that you have known for a decade as a government.

There is something infamous and irresponsible about having a commission sitting now specifically to look at the disparity in prices and yet allowing that disparity to persist when you have it within your province to extend the freeze for the north. I don't understand why you haven't done it.

[5:30]

**Hon. Mr. Timbrell:** As you know, when the special grants for northern Ontario were instituted—and they are 10 per cent or 14 per cent higher than for southern Ontario—it was for the express purpose of allowing for the fact that a number of consumer commodities are more expensive in the north and to give greater assistance to northern residents of the province.

I can't answer for Charles MacNaughton, I can't answer for whoever else came before.

**Mr. Lewis:** I understand.

**Hon. Mr. Timbrell:** All I can do is repeat the fact that this is a subject I'm personally concerned about and I have specifically asked the commissioner to report on. I want to do something about it. I want to know the elements of price-making. I want to know—and we got into this yesterday; you mentioned Red Lake, and I can only recall one gas station in Red Lake and that's a Gulf station at the bottom of the hill before you make the right-hand turn into town. Is it because it's the only station in town and the retailer can charge what he will?

**Mr. Lewis:** I don't think it's the only station. It may be a dangerous right turn so they may have to raise the prices for that reason—to sort of steel you to what's coming.

**Hon. Mr. Timbrell:** It's the only one I can remember in Red Lake anyway.

**Mr. Wildman:** There are two stations in Hornepayne and they are charging 93 cents and 94 cents.

**Hon. Mr. Timbrell:** Let's take Marathon, Schreiber or Terrace Bay, where I have friends on the Lake Superior shore. Is it because there are only a couple of stations in town and they can quietly but effectively

control prices among them? There is no great competition. They're the only stations in town.

**Mr. Lewis:** What are you saying when you use the words "quietly but effectively control prices among them"?

**Hon. Mr. Timbrell:** That if you put your price up to 92.9 cents, I'll put mine up.

**Mr. Lewis:** What are you suggesting, price fixing?

**Hon. Mr. Timbrell:** Maybe it is.

**Mr. Lewis:** If that's happened for the last 10 years where have you as a government been? Why haven't you taken it to the combines investigation branch?

**Hon. Mr. Timbrell:** They probably never sit down and decide, "Well, if you raise it, I'll raise it; if you lower it, I'll lower it," but maybe that's an element of it.

These are the sorts of things that will come out when the royal commissioner gets into the small communities in northern Ontario, which he's going to do. Some of his staff, as long ago as late August or early September, have been up in northern Ontario talking to local consumers and local dealers, sort of laying the groundwork and getting some preliminary information for the royal commissioner.

These are the sorts of things that are going to come out—not only the oil company side of it in terms of tankwagon pricing and in terms of any volume deals, but also how do the individual retailers deal with this? What is their markup in Red Lake? What is the markup that the dealer in Hornepayne puts on and why? Is it because he's got a limited market and that's the only way he can stay in business?

**Mr. Lewis:** I don't begrudge your investigation. We've pleaded for it for years. Why, in the interim, must the people of the north pay more? Why can't you give them the special protection which you have granted them in other areas, understanding the problems of the north?

**Hon. Mr. Timbrell:** First of all, we have given some protection by way of additional grants to offset—

**Mr. Lewis:** Oh, come off it. That's largely grants to offset the fact that the natural resource sector sells high outside the ore-producing communities. Your protection there is because Inco and Falconbridge contribute almost nothing to Sudbury.

**Hon. Mr. Timbrell:** It's specifically because of the fact that the government—I guess John White brought this in in 1973; it was the first time the additional northern grants were brought in—recognized the fact that some basic consumer goods were more expensive in the north. This allowed the municipalities to control mill rates, keep them lower so as to not take more out of that pocket. As you know, it's complicated. I feel that if there is to be a further freeze—and that's yet to be seen—then it should apply to the whole province.

**Mr. Lewis:** Okay.

**Hon. Mr. Timbrell:** I don't believe we should be dealing with one section at a time.

There are some other commodities that are cheaper. Natural gas is cheaper in the north than in the south, through the Northern and Central system. The staff gave me a few notes here. Apparently in a number of the large cities of the north—you mentioned in Sudbury and Sault Ste. Marie—electricity is cheaper than it is in the south.

**Mr. Lewis:** You feel it is a balance? You feel that on balance the people in the north have equal treatment, perhaps privileged treatment. Perhaps this is a red herring we've been manufacturing.

**Hon. Mr. Timbrell:** Not at all.

**Mr. Lewis:** They are so well off in comparison with all these special rates—

**Hon. Mr. Timbrell:** I give you enough credit, sir, to acknowledge that you are genuinely concerned. I just wish you would give me the same.

**Mr. Lewis:** I give you all the credit in the world for the investigation and the wish to assemble the information. I just don't understand why your government continues to penalize the north in the meantime. I think it's a real slap in the face to northern Ontario to drive their prices up almost to \$1 a gallon.

That's a pretty nefarious achievement on the part of one government. I bitterly congratulate you for it. That hasn't happened—not even in Tory lights did that seem possible a few years ago; and I think you should have moved heaven and earth to avoid that.

I can't presume on the time of the committee any longer. There are other votes and other matters you want to cover.

I just want to remind you, Mr. Minister, that while Isbister looks to the relationship—



contractual, franchise and otherwise—between the companies and the lessees, the lessees are losing their businesses and going down the drain. That is morally wrong and you should not be permitting it to occur in the interim. I want to remind you that you put the price up without, in any sense, knowing what the cost the oil companies incur through the whole process from the well-head to the pump.

I want to remind you that the north suffers particularly in the process of this kind of mindless indulgence of the oil companies in whatever price they are going to set. I want to remind you that for all the years we fought about energy costs, energy supply and energy pricing in this province, we've never once, except for that short and temporary freeze—

**Hon. Mr. Timbrell:** One hundred and thirty-eight days.

**Mr. Lewis:** —except for that short and temporary freeze—which never even recaptured the windfall profits made from the inventories in 1974-1975—we've never once come to terms with the oil companies in Ontario.

That's a pretty shabby show. I can understand how angry people are feeling, not just about the operators but in special geographic regions of the province. You know from us, and probably from others in the House, that this is going to be a basis of some pretty central debate over the next few months. I'm not putting you on the alert. It has been for the last few months. As far as I'm concerned, among many identifying features where New Democrats and Tories part company and face an electorate on different grounds, your tender and generous treatment of the oil companies from day one to now continues to be seen by us as a major default of the government. Maybe Isbister will rescue you. I have no idea, but I really doubt it.

**Hon. Mr. Timbrell:** I would, of course, Mr. Chairman, argue that the facts don't support that.

**Mr. Lewis:** We will see when the time comes.

**Hon. Mr. Timbrell:** When you get into the whole business of energy pricing it is interesting to make comparisons. This is not to justify in any way the elements of pricing as they are now; that, of course, is being dealt with by the oil commission. When it

comes to petroleum products we are subject to some extra provincial problems, mainly the fact that the basic price of crude oil is set in a manner well beyond our control.

**Mr. Lewis:** I understand that.

**Hon. Mr. Timbrell:** Natural gas is regulated; electricity rates are in public control. It is interesting to look at the overall situation. I remember not many months ago I read some report on the question of electricity prices. It dealt with the increase in price of a kilowatt hour of electricity in the period from 1954 to 1974. The price of a kilowatt hour of electricity in a 20-year-period went up 25 per cent. The CPI, if I remember the figures correctly, went up 83 per cent; the average industrial wage tripled.

We've talked about conservation. I think you would have to acknowledge—without getting into the intricacies of the pricing of each commodity—that energy has become, in terms of the time you have to work to pay for it, relatively less expensive year by year. In fact, I think there was a 10-year period when there were no Hydro rate increases. If I'm not mistaken, there was one year when the rates actually went down—in the 1955 to 1965 period. And that gets into the problem of the feeling held by a very large number of the people that energy is abundant, it's infinite, it's inexpensive, it's not something to worry about—but we now know differently.

**Mr. Lewis:** Okay. As I said, I encourage you to marshal these comparative and invidious arguments, because you're going to meet other arguments. We have no sense as a party that you've come any way down the road to controlling Hydro, the multi-nations—maybe the natural gas companies, but they should be in public ownership anyway. So, we'll have our division there. In other words, we are comfortably—

**Hon. Mr. Timbrell:** As long as you—

**Mr. Lewis:** —and ideologically divided every step of the way on energy; and I want you to feel that.

**Hon. Mr. Timbrell:** As long as you are going to fight the next campaign on your true philosophy—

**Mr. Lewis:** We have always fought our campaigns on our true philosophy, always.

**Mr. Riddell:** With the exception of the last one.



**Mr. Lewis:** Including the last one. None of you would listen; we said it every day and none of you would listen.

**Mr. Riddell:** You stayed right in the middle of the road.

**Hon. Mr. Timbrell:** The only people you were telling that you were still socialists were your comrades.

**Mr. Riddell:** Yourselves.

**Mr. Lewis:** But they were all there; all the media were there. It was all reported and you were so busy eviscerating each other you wouldn't listen to us. The next time you'll listen and the Liberals will look on.

**Mr. Norton:** The last time you were the elder statesman.

**Mr. Lewis:** Now I intend to be the younger statesman.

**Hon. Mr. Timbrell:** I should tell you, I remember a quote from a Calgary—

**Mr. Lewis:** Not another student.

**Hon. Mr. Timbrell:** No. That was a very astute student, as a matter of fact. I don't know where he got the quote, but it seemed—

**Mr. Lewis:** A little vacillation.

**Hon. Mr. Timbrell:** No, it seemed to apply this afternoon.

Anyway, I'm reminded of a quote from a reporter in Calgary in the last century. It seems to me his name was Harris.

**Mr. Lewis:** The last century? You are erudite.

**Mr. Norton:** You are sarcastic.

**Hon. Mr. Timbrell:** He said he knew what a statesman was: A statesman was a dead politician, and what the world needed were more statesmen.

**Mr. Peterson:** I'd be careful, he's got a son in line for your job.

**Hon. Mr. Timbrell:** I rather doubt it. His son would be dead now.

**Mr. Burr:** I had three or four areas in which I wanted to ask questions or make observations. They were all more or less fresh last night, but history moves so rapidly these days that three of them are somewhat solved, or at least taken care of.

For example, I was going to ask you about this new means of electricity generation which has been worked on in Russia by the American and the Russians in concert—the MHD; magneto-hydro-dynamics. But on my desk this morning, was a long article about it addressed to the Porter committee. I'll simply ask you on this point: Have you been investigating it already?

**Hon. Mr. Timbrell:** In the last two days a letter went across my desk; or I was replying to a gentleman who'd asked to see us about that. We are seeing him to discuss it with him.

**Mr. Burr:** You haven't done anything previously?

**Hon. Mr. Timbrell:** Yes, at the staff level. We are going to see this gentleman and it will be, as you indicated, investigated by the Porter commission.

**Mr. Burr:** Fine.

**Hon. Mr. Timbrell:** Isn't there somebody coming over from England before long, or have they been over? They've been over about the straight-flow turbines and that sort of thing. We've had the information anyway; I know that. That sort of thing will go to the Porter commission.

[5:45]

**Mr. Burr:** That is taken care of, anyway. I was going to ask you about this trucking of PCB wastes—I guess trucking off to Buffalo is the way Hydro sees it.

There was a news item just about a month ago about having to take the PCB wastes over to Buffalo because there were no facilities here in Ontario for destroying them. The article said that last summer we sent 100 tons to Buffalo in specially-built trucks, but new stockpiles are growing. The Minister of the Environment (Mr. Kerr) indicates that we are going to get rid of PCBs—phase them out—but how have you been disposing of these PCB wastes up until last summer? How has this been done?

**Hon. Mr. Timbrell:** As I understand it, they have been stored and shipped off to this disposal site. Roger, do you want to give us some more information on this? This is Roger Higgin, without an "s".

**Dr. Higgin:** This knowledge of mine comes from the Ministry of the Environment, which has the responsibility to see that toxic contaminants such as polychlorin-

ated biphenyls are disposed of in an adequate manner.

As you say, there has been no good way of disposing of these. The federal government has taken action to ban their use in many applications. The Ministry of the Environment has been conducting tests with St. Lawrence Cement to see if these PCBs can be effectively destroyed in the high temperatures prevalent in cement kilns. The report on this, I think, will be due next spring or the middle of next year.

It may well be an option to dispose of these and indeed retrieve a little of the heat value of the organic compound as well, but it is at least to effectively destroy them and prevent any danger to the environment because the cement clinker also tends to retain the chlorides and other undesirable contaminants without any actual detrimental effect on the cement when it comes to be used.

That is really all I have. It is just something that has been told to me by staff of the Environment ministry. You should take it up with them if you need any more information.

**Mr. Burr:** Mr. Chairman, I understand that the PCBs were used as a kind of a liquid substitute for oil in electrical transformers. Is Hydro working now on a substitute for this?

**Dr. Higgin:** Not Hydro per se, the manufacturers of transformers are working on a substitute as far as I am aware. I don't think they have as yet found a good substitute that can be produced economically. However it was used as a heat transfer medium in chemical reactors known as the Arrochlor series. This series of compounds has now been banned for new chemical reactor use both in the US and in Canada. So they are looking for alternatives, but I am not aware that they have found another compound which is—

**Mr. Burr:** Can they go back to using oil?

**Dr. Higgin:** The oil has certain problems, of course. This is why they moved away from it. The thing about PCBs is that their most desirable attribute is also their most undesirable; that is their stability under extreme conditions against oxidation and high temperature. This is the reason they cause problems; they are not degraded in the environment. It is this very feature which led to their use as a transformer fluid rather than oil, which is subject to thermal degradation, oxidation and other undesirable effects. They

feel that they will be able to find a substitute and it is a question of finding one that can be economically produced.

As I say, I think this is a topic which more properly fits the Ministry of the Environment rather than this ministry's terms of reference.

**Mr. Burr:** With Ontario Hydro being a great user, it is a concern here too. Well thank you.

The third point I wanted to mention was the reduction of speed rates. Of course, that was taken care of today.

Arising out of what the minister said, we have become used to cheap power, cheap energy. I think the value of reducing the speed rates is as much symbolic as in the other aspects, because it's very difficult to get people to believe there is an energy shortage imminent or inevitable or looming up before us, until something takes place in a rather dramatic way.

In the United States the people are much more aware of it than we are because the speed limits were reduced to 55-miles-an-hour on their major highways. I was over there this summer for a few days and the great majority of the motorists were driving at about 55-58 miles. I'm sure that made them aware there was a need to conserve energy. Someone spoke of building a conservation ethic. This reduction in the speed limits will help.

Another way would be to reach some kind of a new Hydro rate for consumers—industrial, commercial and residential—so that people would know that turning out lights that weren't being used and turning down the thermostat at night, those things were going to save them quite a bit of money and that the more wasteful they were the more it was going to hurt. In other words, some kind of rate reversal would bring the message home and help to build this conservation attitude or ethic.

For example, if you had some figure well published, I'll just use the figures 70 and 80 as Fahrenheit temperatures you might call the area of comfort. People become uncomfortable when the temperature falls below 70 in a room in the wintertime; and they become uncomfortable when the heat goes up, say, over 80 in the summertime. But if it were considered the thing to do, not to put your air conditioner on unless the temperature reached a certain figure, maybe 78 or even 80, I'm using 80 because it's a round figure—then people would become conscious of this.



No one is going to suffer from heat prostration as long as the heat doesn't go over certain figures like 78 or 80. Everybody can be fairly comfortable. There is no great discomfort at 75. In the same way, in the wintertime people need not be uncomfortable in surroundings of 75 and 74 or 73 degrees. This is an area where you can be comfortable and the conditions are healthful and you can save energy. That might be 70 in the wintertime and 80 in the summer for cooling, but if the government gave some figure that was right for the average person — because I imagine that individual differences exist and some people feel cool at 68 and others don't at all—if the government used some target figures that were well known and well publicized I think that would help in making people conservation conscious.

**Hon. Mr. Timbrell:** Can I just reply to that; shall I or save it for 8 o'clock?

**Mr. Burr:** Fine, go ahead. I have only a couple of further points.

**Hon. Mr. Timbrell:** You may have seen, Mr. Burr, in the last week or so, an ad that Hydro has run, I think in every daily, showing the average annual consumption of electricity for a whole range of appliances, including air conditioners of various sizes and furnaces and so forth. They are trying to point out to people that the more you use your dryer at half loads, rather than waiting for full loads; and the more you use your washing machine, the more you use your dishwasher, the more you use your range and various appliances, here is what you are doing: you are unnecessarily hiking your annual electricity bill and there is something that you can do.

With industry we have the energy bus and consultants from the Ministry of Industry and Tourism available to help industry on that point; to show them where they can make savings. I am not sure if you were in the room at the time, but I pointed out that the energy bus has made 70 visits to industry. The total electricity bill for the 70 industries they have visited is \$13 million a year and they have found that on average 17 per cent could be saved. That is \$2.1 million a year at the existing rate. So it is quite considerable.

**Mr. Burr:** That's right. You mentioned those things the other day and I am glad this is being done. The advertisements I haven't seen but they are a step in the right direction too. If you could picture to them along with that the fact that the more they use every

month the more it is going to cost them, I think it would be a great incentive.

**Hon. Mr. Timbrell:** I have some comparisons here that I think you would find interesting; and probably the whole committee would as well. The staff have done a comparison, taking the years—1949, 1954, 1959, 1964, 1969 and 1974; five-year intervals—on the cost of electricity, the wage index, the consumer price index and the average hourly wage in manufacturing.

In 1949 the provincial average in the cost of a kilowatt hour of electricity was .987 cents, which we take as the 100 index. I won't give you all the years, but by 1974 it was 1.63 cents. Taking 1949 as 100, on this index electricity was at 165.1 in 1974.

In 1949 the average hourly wage for manufacturing was 99 cents. By 1974 it was \$4.37. This is from Statistics Canada. So taking 1949 as 100, in 1974 the wage index was 441.4. The consumer price index if you take 1949 as 100, by 1974 was 215.5.

It is part of this problem that the price of electricity fell way behind the disposable income and other prices that make up the consumer price index. It became, year by year, progressively less expensive to purchase and to use electricity. So it is not a small task.

I must spend two or three evenings a week speaking to service clubs or university women's clubs or boy scout groups or whatever, talking about energy and the need to conserve. I continue to be amazed that they are shocked when I tell them some of the facts of the future supply and demand and I keep saying: "Where the hell have you been?" I have been talking about it for months, it has been in the papers, on radio and on television.

It is an enormous task which not just myself as the minister responsible for energy but I think every member of this House has a responsibility to drive home to the people of the province.

**Mr. Burr:** But those higher speed limits have been there and have not been brought down, so people didn't believe it.

**Hon. Mr. Timbrell.** Even in the United States there are some states which have committed more money to their police forces and were a bit more persistent in their enforcement. The state commissioner of police in Michigan, I think it was, was interviewed about six or eight months ago. He said he just can't enforce it any more. The average speed in the state of Michigan had risen



back up to the mid-60s and he just didn't have the manpower.

That is one of my concerns and I have expressed this publicly before. I push for this reduction in speed limits because I agree with you that it is something people will see all the time to remind them we are serious about conservation. But I am concerned about the ability to enforce it.

**Mr. Chairman:** It is now 6 o'clock. I would like to remind the committee—if you would just take a moment—last night someone commented that I should have called for a vote just before we adjourned. Is it the wish of the

committee now—I believe we have pretty well exhausted the speakers—that I call for a vote on this?

**Hon. Mr. Timbrell:** If you want to clear all the estimates, Mr. Chairman—

**Mr. Burr:** No, I have a couple of further points.

**Mr. Chairman:** You have a couple of points for after? All right. We will recess for the dinner hour and we will commence again at 8 o'clock.

The committee recessed at 6:01 p.m.

#### ERRATA

No.	Page	Col.	Line	Should read:
S-8	S-218	1	50	<b>Mr. Johnson:</b> How would settle-
S-8	S-218	2	25	<b>Mr. Johnson:</b> I have one other ques-
S-8	S-230	1	47	<b>Mr. Johnson:</b> Perhaps my question
S-8	S-230	2	1	<b>Mr. Johnson:</b> For instance, an im-
S-8	S-230	2	16	<b>Mr. Johnson:</b> For an example, if
S-8	S-230	2	22	<b>Mr. Johnson:</b> If we really are con-
S-8	S-231	1	8	<b>Mr. Johnson:</b> No, except that I
S-8	S-231	1	24	<b>Mr. Johnson:</b> With so much ma-
S-8	S-234	1	12	Johnson, J. (Wellington-Dufferin-Peel PC)

## CONTENTS

---

**Tuesday, November 18, 1975**

Energy policy programme, continued .....	S-407
Recess .....	S-438

## SPEAKERS IN THIS ISSUE

---

Burr, F. A. (Windsor-Riverside NDP)  
 Bryden, M. (Beaches-Woodbine NDP)  
 Lewis, S., Leader of the Opposition (Scarborough West NDP)  
 Makarchuk, M. (Brantford NDP)  
 Norton, K. (Kingston and the Islands PC)  
 Peterson, D. (London Centre L)  
 Philip, E. (Etobicoke NDP)  
 Reid, T. P. (Rainy River L)  
 Riddell, J. (Huron-Middlesex L)  
 Shore, M. (London North L)  
 Timbrell, Hon. D. R., Energy (Don Mills PC)  
 Wildman, B. (Algoma NDP)

### Ministry officials taking part:

A. Frame, Senior Adviser, Utilities.  
 Dr. R. Higgin, Adviser, Solar and Windpower.  
 P. Lamb, Senior Adviser, Uranium.  
 John Matthews, Director, Fuel Resources Division, Ontario Hydro.  
 P. E. Pinnington, Senior Adviser, Petroleum/Petrochemicals.  
 Dr. I. H. Rowe, Senior Adviser, Energy Management.







GOVERNMENT  
PUBLICATIONS

# Legislature of Ontario Debates

SUPPLY COMMITTEE

ESTIMATES, MINISTRY OF ENERGY

OFFICIAL REPORT — DAILY EDITION

First Session of the Thirtieth Legislature

Tuesday, November 18, 1975

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975

## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MGS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.

## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

---

TUESDAY, NOVEMBER 18, 1975

The committee resumed at 8:02 p.m.

#### ESTIMATES, MINISTRY OF ENERGY (concluded)

On vote 1802:

**Mr. Burr:** Mr. Chairman, I just have a couple of points to make. I remember reading in the Isbister report some time ago—so my memory is not too clear on it now—the idea presented that there was a good argument for changing the price of the oil that was in the pipeline, if not immediately, very soon. The idea was that the companies had to find the wherewithal to pay for the new oil that was going to replace the oil which at that time was in the pipeline.

It seems to me that instead of thinking about long pipelines stretching from Alberta to Ontario, you should think of it in terms of an auto dealer's yard. Let's suppose he has 20 new cars for sale and he keeps a stock of 20 new cars and they've been selling for \$3,000 apiece for some length of time. He has been selling these cars, and we'll say they're all the same models, same brands and so forth, when suddenly he gets word from the manufacturer that the price has been doubled and from now on that model car—the same car—is going to be \$6,000. Would he have any justification for raising the price on the ones that he already has bought and put in his yard, those 20 new cars sitting there, on the grounds that he had to find the capital to pay for the cars he was going to buy to replace these as they were sold?

It seems to me that raising the price from \$3,000 to \$6,000 for these cars that he already has on hand in his yard could not be defended in any way. It seems to me, in the same way, the oil companies have long ago taken care of the fact that they are always going to have a long pipeline full of oil which will eventually, I suppose at some point, be drained out, but there is always going to be this unusable backlog of oil in the pipeline. When the day comes when it's

finally drained out it will be selling at whatever the market price is at that time.

I don't know; I don't really want the minister to comment on that particularly. It is just a point of view I have.

**Hon. Mr. Timbrell:** I don't have the report in front of me but as I recall it the arguments put forward by the industry to the commissioner and other places were that they should be allowed to increase their prices to the consumers as soon as they start to pay the higher cost of crude oil. That point, of course, this year was 12:01 a.m., July 1, when the price went from \$6.50 to \$8. The hardliners in the industry would say: "Therefore, on July 1, we should start to charge for our refined products on the basis of \$8 crude oil because, if you take the whole system from the gathering point in Alberta right through, you are refining oil all the time on the morning of the first, and you've got to replace it in the system back at the gathering point with \$8 oil."

The opposite viewpoint is that they shouldn't start to charge until all of the \$6.50 oil has run out. What the commissioner indicates is that for a number of reasons, including the fact that a fair bit of oil has to be in the system at all times to keep the pipeline functioning, to keep plant functioning and so forth; there is a certain amount of oil involved.

**Mr. Burr:** I'm sure they've taken care of that financially long ago.

**Hon. Mr. Timbrell:** This again is something else the commissioner will get into. Anyway, he says if the oil companies aren't right and the other point of view isn't right, the appropriate point is somewhere in between. He indicates in his report that he will give us a formula at the conclusion of his work on phase two, which he will recommend that we use on future occasions when the price goes up again. It is not entirely analogous with a car dealer.

**Mr. Burr:** That's just my opinion for what it's worth. The final question is that the



other day or other evening maybe, somebody stated that the cost of fuel for the Lakeview "watts from waste" station—that is the rubbish—was \$8 a ton because of transportation. That's right?

**Hon. Mr. Timbrell:** I believe that is the figure.

**Dr. Higgin:** That's the disposal cost.

**Hon. Mr. Timbrell:** Yes, that's their cost.

**Mr. Burr:** The disposal cost? What do you mean?

**Hon. Mr. Timbrell:** That is what it costs them now to take it to a sanitary landfill site.

**Mr. Burr:** That's the transportation cost?

**Hon. Mr. Timbrell:** Basically; the gathering and transportation.

**Mr. Burr:** Yes, transportation; that sounds as though it's \$8 per ton. But haven't you to subtract from that \$8 the amount some alternative method of disposal would cost? For example, trucking it even farther or sending it by rail to some landfill and covering it all over?

**Hon. Mr. Timbrell:** That is the basis for arriving at the \$8 figure.

**Mr. Burr:** Do you mean that the original figure for local transportation is, say, \$15 and because you are saving \$7, that comes down to \$8? Is that it?

**Dr. Higgin:** No, the thing is slightly more complicated than that. The \$8 figure is arrived at as the net disposal cost for getting rid of the garbage through the "watts from waste" project. In terms of 1973 dollars this was more expensive than landfill which came out at around \$6 to \$6.50 a ton. However, landfill is a lot less desirable in many aspects than using the refuse as a fuel. But if you don't landfill you have additional costs in preparing a fuel fraction which can be used in the "watts from waste" project for burning in the Hydro boilers.

Against this you apply a credit for the fuel value which is based on coal equivalent. However, you must compensate for some loss of efficiency of the units, and increased maintenance of the units due to chlorine and other undesirable elements in the garbage, so that there are two components of the \$8. One is the straight cost of preparing the fuel fraction, which is close to \$11.50 a ton, and against that there is a credit applied

which, in 1973 dollars—which is the only figure we have currently—was about \$3.50 a ton as fuel value.

The costs are currently being updated and the picture will be much more favourable because, as you are well aware, Hydro's coal costs have risen close to three times—2½ times—since 1973. The disposal costs, i.e., the cost of preparing the fuel fraction, has not risen correspondingly, so that in fact the net disposal cost will be very close, or may even be lower than the disposing of the refuse in landfill.

**Mr. Burr:** Supposing you say we're burning coal; what would the cost per ton be approximately?

**Dr. Higgin:** In 1973 the price on which the \$3.50 credit was based was \$12.50 a ton. I think I would have to ask John Matthews what the current price is. It's around \$30 a ton.

**Mr. Matthews:** Twenty-five dollars.

**Mr. Burr:** It's around \$25 if you're burning coal.

**Dr. Higgin:** Yes, so it doubled in that period.

**Mr. Burr:** But now that you're burning rubbish, is this actually quite a saving?

**Dr. Higgin:** Yes. The figure that they're using right now, as far as the demonstration project is concerned, is that 10 per cent of the firing will be refuse. That's on the heat value. So that 10 per cent of the heat input into the boiler will be as refuse fuel. It comes out more on a weight basis.

**Mr. Burr:** I'm still not quite clear. Is the \$8 a ton after you have considered the fact that you will have to pay several dollars a ton to dispose of it by other means?

**Dr. Higgin:** Yes, the \$8 a ton has two components; one is the cost to the municipality, if you like, of preparing the fuel fraction for "watts from waste." This requires that the waste is shredded, that the magnetic materials be separated out and the waste be air classified so that you're left only with a light combustible fraction. This, then, has to be loaded into packer trucks and delivered down to the Hydro facilities at the Lakeview station and put into storage. The delivered price was, in terms of 1973 costs when the analysis was done, over \$11 a ton. Against that was applied the credit for the fuel value of that refuse.

Hydro were paying close to—I use the words “close to”—the coal equivalent as far as heat value. There was a reduction in the amount paid due to increased maintenance of the facilities, which can be expected based on the St. Louis experience, because of chlorine corrosion in the boilers, and also a loss of efficiency of the actual boiler due to the lower reactivity of refuse compared to coal. So it's not a straight heat equivalent basis; it's somewhat less. This credit is then applied against the \$11 a ton processing charge and you end up with a net cost of disposing of that refuse by that means of \$8 a ton. As I said, that picture has now become more favourable.

**Mr. Burr:** I'll read it in Hansard, Mr. Chairman, to see if I can make it out.

**Mr. Chairman:** Shall vote 1802 carry?

**Mr. Davidson:** No, I want to pose a question. The question I'm about to ask the minister could be considered, I guess, an after-the-fact question in the sense that the freeze is no longer on gasoline and fuel oil. It is a question that has been posed to me by some of my constituents and, therefore, I thought it only proper that I bring it up to you. In order to do so, I have to give you a little bit of background.

[8:15]

There's a large fuel oil distributor serving the Cambridge-Kitchener-Waterloo region and surrounding rural area by the name of H. Boehmer Ltd. Within that area there are large numbers of families who use fuel oil, many of whom get it in containers of 100-gal. or less, some using twin 45-gal. drums as a source of supply.

At least two weeks and possibly longer prior to the ending of the freeze, personnel of H. Boehmer Ltd. were telling its customers when they ordered fuel oil that if their tank would not hold 100 gal., or if it took only 100 gal. or less, there would be a \$5 surcharge imposed upon delivery. Mr. Minister, do you not consider that to be an increase in the price of fuel oil prior to the lifting of the freeze, an increase that could range from five cents upward per gallon?

**Hon. Mr. Timbrell:** A \$5 surcharge per delivery?

**Mr. Davidson:** If your tank held 100 gal. or less, a \$5 surcharge was imposed.

**Hon. Mr. Timbrell:** Per delivery?

**Mr. Davidson:** Per delivery.

**Hon. Mr. Timbrell:** I'd want to think about that. That's a new twist.

**Mrs. Gigantes:** It is not unique. The same thing was being brought to our attention in Ottawa during the campaign.

**Hon. Mr. Timbrell:** For deliveries being made at that time?

**Mrs. Gigantes:** At that time.

**Hon. Mr. Timbrell:** And they were being reported to the Minister of Consumer and Commercial Relations?

**Mrs. Gigantes:** I don't know how far they got.

**Hon. Mr. Timbrell:** If they had, then we could have tested the thing under Bill 133. You'll have to leave it with me and let me think about it. That's a new twist—I hadn't heard it.

**Mrs. Gigantes:** If you are interested in particular cases, I'll be glad to get one from Ottawa.

**Mr. Wildman:** Mr. Chairman, most of what I had intended to say was said earlier. I just wanted to make two comments and then leave it at that. It seems to me that, first, the Isbister commission is a good thing and that we need to get as many facts as the commission can bring to our attention. We have some criticisms about how the commission is going about it, and so on, but certainly an investigation of the oil industry is necessary. We'd like it to go even further.

**Mr. Minister:** I think you've said that you won't put a freeze on the further setting up of oil-company-controlled gas stations, nor will you continue the price freeze on—

**Hon. Mr. Timbrell:** Excuse me; what I said was that was one of the suggestions made by the Ontario Retail Gasoline and Automotive Service Association as something that in their opinion the government could do in the short term—that is, until Mr. Isbister submits his final report. I haven't dismissed any of them. What I've said is that we are evaluating their submission, the Ministry of Consumer and Commercial Relations is evaluating their submission—and we're going to get back together and determine whether we can do any or all of them.

**Mr. Wildman:** I misunderstood you then. If that is the case, I would only say further that it's too bad that the same attitude hasn't been taken regarding the price freeze on gasoline and oil in the north during the interim,



until the commission reports. The people affected by these two things—that is, the retail gas station owner and the northern Ontario consumer—would then be protected. If waiting for the commission is used as a reason for not protecting the northern Ontario consumer, I'm afraid that many people in the north will not be as enthusiastic about the commission as they might be if they were being protected from now until when the commission reports.

**Hon. Mr. Timbrell:** Given the advice of the commissioner about when inventories had run out and about appropriate increases at the expiration of the freeze, and given what we have stated to the companies and to all of the retailers as being, if you will, government guidelines, I would argue that we are protecting them. It may, of course, still come to the point where we will have to consider another freeze if the degree of co-operation isn't what we expect.

**Mr. Wildman:** I'm not quite in agreement with you as far as the protection of the north is concerned, but I think we fully understand each other's position on that.

Vote 1802 agreed to.

On vote 1803:

**Mr. Chairman:** Vote 1803 is the Ontario Energy Board programme.

**Mrs. Bryden:** There are just two or three comments I want to make on this vote. My main question is whether the government is planning to bring oil products under the Ontario Energy Board in the same way as natural gas is under the board.

**Hon. Mr. Timbrell:** The short answer to that, of course, is that depends on the recommendations of the royal commissioner and whether, once he completes phase two and evaluates such systems as they have in Nova Scotia, he recommends it.

**Mrs. Bryden:** I was going to go on and ask, when will Hydro be brought fully under the board also? At the present moment, as we all know, their rate increases are subject to review but not to control by the board. The overall question really is, how can we develop an Ontario energy policy without having all forms of energy under the board, which can look at the different pricing mechanisms and then determine the usage and allocation of energy?

**Hon. Mr. Timbrell:** Okay. First of all, when you talk about natural gas, you are

talking about a monopolistic situation. Depending on which part of the province you live in, you can buy natural gas from only one distributor. That's the basic reason they are regulated on the rate base and the rate of return.

As regards Hydro, you do have a board appointed under the Power Corporation Act to run Hydro and to make recommendations to the government on a variety of areas—24 or 25 areas—where they must have government approval for such things as borrowings, capital projects and so on. That is a publicly owned corporation.

With the oil companies, we do have the Isbister commission investigating that situation. It's totally different from the first two in that you're not talking about a monopoly; you're talking about seven majors that are in the business, plus a wide number of independents. I guess independents probably sell more gasoline in this province than they do anywhere else; as a percentage of product sold, I think it's somewhere around 18 or 20 per cent. Whereas, in the Province of Nova Scotia, for instance, I don't believe there is any independent sector at all to speak of, if any. That's why we haven't moved on it to this point.

**Mrs. Bryden:** What I'm suggesting is that you can't have an overall energy policy unless you have all forms of energy under one board, which can then set prices that will determine the extent to which any given kind of energy is used and developed. I think that even uranium, subject to the federal government's control, should be under certainly allocation and some planning by the Ontario Energy Board to the extent that we can get jurisdiction.

**Hon. Mr. Timbrell:** Well, we can't.

**Mrs. Bryden:** I don't see how you can price natural gas without pricing it in relation to oil, uranium, hydro and so on. Really, you are working in a vacuum.

**Hon. Mr. Timbrell:** Let me just deal with that. It is the policy of the government of Canada to price natural gas in relation to oil.

**Mrs. Bryden:** Right.

**Hon. Mr. Timbrell:** This is a policy we've discussed here over the last few days at some length and one we've expressed concerns about, but nonetheless it is their policy and they've launched into it. Compared on the basis of heating values, the price of natural gas at the Toronto citygate now is 85 per



cent of the value of oil at the Toronto city-gate. It is their policy to go to 100 per cent. When? We don't know. We thought it wouldn't be until about 1978, and it may be a lot sooner. We thought they would go to 75 per cent this year; instead, they went to 85 per cent.

You'll forgive me if I don't see the logic of your argument that total price regulation will somehow evolve into a complete energy policy, because that is dealing with only one side of it. The price side has very little to do with the exploration side, very little to do with the problems on the frontier areas, the problems with new technology and so forth.

I've expressed this concern before, that you're talking about a national industry. If you want to talk about natural gas prices, we're talking about distributors who are confined to the Province of Ontario. When we regulate Northern and Central Gas, for instance, through the Energy Board, we regulate their activities in the Province of Ontario. That same company has operations in the Province of Quebec—Gaz Metropolitan; and in Winnipeg—Greater Winnipeg Gas. They are regulated there by those two provinces, but we regulate their operations in the Province of Ontario; it's broken out by provinces.

When you start talking about the petroleum industry it's not that simple because you're talking about a national industry, you're talking about the fact that in total about 20 per cent of the refined product in the province comes either from the Quebec refineries or from Winnipeg. You cannot point to a confined petroleum industry in the Province of Ontario; you're talking about one that transcends provincial boundaries.

**Mrs. Bryden:** Do you not concede that the province has the power to set prices for energy within the Province of Ontario—

**Hon. Mr. Timbrell:** Oh, yes.

**Mrs. Bryden:** —and that that power could be used for deciding, through our pricing system, if we considered one source of energy less polluting than another, that we could discourage use of the more polluting forms and encourage use of less polluting forms?

**Hon. Mr. Timbrell:** What you're arguing then is for much higher prices of energy than what we have now. I don't know if you were here earlier when I read some of the notes comparing increases in such things as the CPI and the industrial wage index to in-

creases in the prices of energy. I'll go over it again if you want.

From 1949 to 1974, the average manufacturing wage per hour rose from 99 cents to \$4.37. If you take 1949 as 100 on this index, 1974 was 441.4. The consumer price index, taking 1949 as 100, was 215.5 in 1974. Electricity, taking 1949 as 100, was 165.1 in 1974. Gasoline, the average price in Toronto, taking 1949 as 100, was 171.3. Furnace oil, taking 1949 as 100 on the index, was 216.7.

It would seem that what you're arguing is that energy prices should increase substantially to where people arrive at the point where it's no longer a diminishing part of their budget that goes to energy, but a much larger part.

**Mrs. Bryden:** On the contrary, with respect, I'm not arguing for necessarily higher prices but for using the price mechanism as a means of allocation of energy sources within the province.

**Hon. Mr. Timbrell:** The feds use that argument to some extent and I don't buy it, because unless you increase the prices drastically and dramatically and unless you make sure that the prices keep ahead of or in pace with growth in buying power, then wages and earnings will eventually overcome the prices and people will fall back to their old patterns.

**Mrs. Bryden:** That's possible. The pricing mechanism, I agree, is only one possible mechanism but it still seems to me that for an overall energy policy you should have all energy sources under the Energy Board to some degree and that all their prices should be subject to review by the Energy Board.

**Hon. Mr. Timbrell:** You mention nuclear. We don't have control over uranium prices. That's in the hands of the federal government and has been since the war. We do have the powers there to exercise over petroleum. It's a question, once the royal commission is completed and its case has been made, of showing that it's beneficial to the public. They've got such regulation in Nova Scotia and their average prices are higher than ours.

**Mrs. Bryden:** But that's not necessarily due to the regulation. That may be their policy.

[8:30]

**Hon. Mr. Timbrell:** Maybe not. That is just taking sort of a face value approach to it. Average prices are higher and they, for

all intents and purposes, do not have an independent retail gasoline sector as we do. But that remains to be seen at the conclusion of the work of the Isbister commission.

**Mrs. Bryden:** Just one other question: Of the personnel on the Energy Board, are there any representatives of what you might call labour or consumers, or conservationists?

**Hon. Mr. Timbrell:** I have the list of the board members here. They are all consumers, so that covers that. Do you want me to go through the list?

**Mrs. Bryden:** If it is not going to take very much time.

**Hon. Mr. Timbrell:** No, it won't.

The chairman, who is here tonight, Mr. A. Bernard Jackson, formerly of the British Columbia PUC; joined the Energy Board in 1965, bringing to the board considerable knowledge and experience in public utility regulation; appointed chairman 1974.

Ian C. MacNabb, P.Eng., vice-chairman, joined the board in 1964 following 11 years' professional experience in the natural gas industry in western Canada.

Stephanie Wychowanec, QC, senior solicitor in the Ontario government; former director of the legal branch of TEIGA; joined the board in 1973.

William W. Stevenson, PhD, is a senior economist with considerable experience in economic and financial studies of large projects in Canada and abroad. He joined the board in 1973.

Harvey R. Chatterson is an economist, an expert with 22 years' experience in the electric power industry in rate management and rate regulation. He joined the board in 1975. We stole him from Manitoba Hydro. He was head of their rates section.

Ross Lamb, P.Eng., joined the board in 1975 following 20 years in the field of electric utilities, engineering and management in Canada and abroad.

Those are all the full-time members. Part-time members are:

Donald Treadgold, senior partner of the Toronto law firm of Blackwell, Law, Treadgold and Armstrong; appointed a commissioner of the Ontario Fuel Board in 1955 and a member of the Ontario Energy Board in 1960.

J. A. W. Whiteacre, special counsel to the then Department of Energy Resources in 1960, prior to enactment of the first Energy Board Act and the first Energy Act; counsel

to the Ontario Energy Board in its first five hearings, when gas rates were regulated for the first time, and appointed in 1973.

George Clayton, appointed in 1974, following 22 years' professional engineering and management experience in the electric power industry and consulting services.

If you want more details I can tell you where Mr. Jackson was born, where he served in the RCAF and so on.

**Mrs. Bryden:** I am glad you have the token woman on there anyway, Mr. Chairman.

**Hon. Mr. Timbrell:** I can assure you that Miss Wychowanec is nothing of the kind; she is a very capable member of the board.

**Mr. Ruston:** Mr. Chairman, one thing I wanted to mention was just drawn to my attention lately. You are probably familiar with some of the franchises that some of the gas companies—and I am speaking of Union Gas—made when they went into areas many years ago. They made some agreements with some of the municipalities, and one happens to be the municipality that I live in. I was notified by the reeve the other day that Union Gas has been furnishing gas to two schools in the municipality. Apparently, at that time they furnished free gas to one public school and one separate school and also to the township office. I think previously they also furnished it to all the churches, but they dropped that a number of years ago. Is this used much any more? Do many of the municipalities still have any of these original agreements that you are aware of or have most of them gone by the wayside?

**Hon. Mr. Timbrell:** Not that I am aware of but Mr. Jackson or Mr. MacOdrum—Mr. Jackson, chairman of the Energy Board, perhaps should comment.

**Mr. Jackson:** I am not sure of the exact number but there are a fair number of municipalities which still have free gas clauses in their franchise agreements. In addition to that, there are some landowners who have free gas clauses as a result of pipeline rights of way.

Union Gas, within the last few weeks, has filed a fresh application with the board for the fixing of reasonable rates and among the things it has asked for is the elimination of the free gas clauses. They were treated, some years ago, as something wrong in principle and the regulations under the



Ontario Energy Board Act indicate that. These are exceptions because they are very old and the board will have to deal with Union's application in due course.

Union, of course, is asking for an interim rate increase because of the very large increases in its gas costs effective Nov. 1. This will not be dealt with as part of that. There will be plenty of time in which everybody affected will be heard by the board.

**Mr. Ruston:** That's fine. I think the last increase Union Gas received was about a year ago, if I remember correctly—Jan. 1, 1975. There was controversy over the date it went into effect and it also put on the flat rate charge of \$2, if I remember correctly. In assessing the application, I assume you must look over the books quite thoroughly and the profit picture over the previous year. What I noticed in the last report I saw of Union Gas was that the profits had increased considerably over the year before. I wondered if I had missed something somewhere because I understand that if you had a rate structure and Union came to you for permission to increase those rates because of the higher cost of gas from the west, you would assess all these. I wonder why the company should have shown such a great increase in profits. I am quite sure it was substantial although I don't recall the figures right now. I wonder if you have anything on that?

**Mr. Jackson:** I can't answer in detail all the points you made but first of all, until Nov. 1, the last really major increase in gas rates was one which was passed on to Union's users about Jan. 1. That was a very large increase. There is no way the company could begin to meet that out of economies in its operation. That was roughly 24 cents per mcf, about a 50 per cent increase in gas costs; something of that order, roughly.

Those things come before the board and they are treated as separate problems. Obviously, there is quite an urgency when you are talking about an increase of a couple of hundred thousand dollars per day in the costs. Those are treated as a matter of urgency. It has been the normal board practice to award increases subject to refund after more thorough examination. When the board gets into the more thorough examination, the members do examine the whole ability of the company to earn a fair return.

I am not sure of the details of whether in the last year Union Gas earned a higher rate of return than it did the year before. This is always possible. It may have been under-

earning the year before and, of course, it is a fact that earnings requirements have been going up. Even if it weren't expanding, its costs of borrowed money go up because it has to pay off its debt as it retires at, perhaps, five or six per cent, and refinance it at 10 per cent.

I am not sure of the details. I think it is quite possible that the earned rate of return may have gone up somewhat from one year to the next, yet the board would find on reviewing the whole thing for that later year, that they were not earning an excessive rate of return, just because they earned somewhat more than they had the year before.

**Mr. Ruston:** Of course it is understandable. I see where you have to grant them the interim increase and then, as you say, you probably review it later and give them an interim increase because of the large increase that they are forced to pay. This is something that I was interested in because I recall reading a financial page on one occasion. I don't have it with me now but I just thought it a little strange. That is why I asked, and I think you have explained it.

**Mr. Spence:** I want to ask about those farmers who leased their land for oil or gas exploration maybe in 1908 or 1913. Some of these lands have been producing gas for certain gas companies for many years. Some of the gas companies have now made application for an increase in gas prices to the consumer. Those farmers who had leased land 50 years ago want to know if they are entitled to an increase in the price of gas from their wells from those companies.

**Hon. Mr. Timbrell:** I am sorry, would you mind repeating the question?

**Mr. Spence:** Some landowners leased their land for oil or gas drilling and a number of gas pockets have been found. The gas companies that leased this land gave them \$100 for each well that they located. Some of these wells have been producing gas since 1913 or 1918. The company that paid them \$100 a well has made application to increase its gas rates to the consumer. The farmers ask why they shouldn't get an increase because they got \$100 a well where these gas companies found gas on their farms which they have been producing for many years. Why shouldn't they get an increase in the price of gas, because Union Gas is only paying \$100 a well but is increasing the gas rates to its consumers? They want to know if they should get an increase.



**Hon. Mr. Timbrell:** I will ask Mr. MacOdrum to give you the details of that.

**Mr. MacOdrum:** The prices of natural gas between a producer in Ontario and a distribution utility purchaser in Ontario are settled as a matter of contract between the buyer and the seller. When those contracts expire, the seller has the opportunity to renegotiate the price and to seek a higher price.

**Mr. Spence:** But they never terminate because the companies pay \$1 an acre for leasing the property.

**Mr. MacOdrum:** Are you talking about a royalty arrangement?

**Mr. Spence:** I am talking about a landowner who leases his farm or land to a gas company to explore for gas or oil.

**Mr. MacOdrum:** I think then you are talking in that case about a royalty agreement. If the royalty agreement, as many of them are, is stated as a percentage, of course they get the benefit of the higher prices as the price escalates because of the percentage arrangement in the royalty. As you know, all land—we are not talking about Lake Erie production now—

**Mr. Spence:** That is close to it.

**Mr. MacOdrum:** —is freehold land, that is, it is not Crown land so the royalty arrangements are subject to negotiation between the landowner and the person who is taking the lease, who may or may not be a natural gas distribution company. It might be an independent producer or whoever. The royalty arrangements are negotiated among them.

Because of the rapid escalation of royalties in western Canada where the dominant form of ownership is Crown land and it has been done by the governments of the producing provinces, I think we are aware of some desire on the part of royalty owners in Ontario to emulate their western counterparts. At the present time that is a matter of private negotiation and to the extent they have arranged for it to be on a percentage basis, they are beneficiaries of escalations in the field price.

**Mr. Spence:** They are? And they would have to make application to the Energy Board, would they?

**Mr. MacOdrum:** Not the royalty owner. It's a matter of negotiation with the person they are going to give the lease to.

**Mr. Spence:** They have given the lease to this property for 50 years. Is that right?

**Mr. MacOdrum:** I am not aware of the property you are discussing, sir.

**Mr. Spence:** No, this has been brought to my attention. The landowners have had gas wells producing for 50 years. The gas company makes application to the Energy Board to increase its rates to the consumers.

**Mr. MacOdrum:** Right and one of the things—

**Mr. Spence:** So because of the cost of gas brought from the west, they have to make application for an increase in the price of gas to their consumers; is that right?

**Mr. MacOdrum:** In part.

**Mr. Spence:** So these landowners have leased to the gas companies for 50 years. These gas wells have been producing and are connected up with the gas company which is selling this gas to the consumers. If the Energy Board increases their price to the consumer, why shouldn't these landowners who have gas wells on their places get the same prices? A certain gas company has made application to the Energy Board to increase its rates; why shouldn't those farmers who have gas wells?

**Mr. MacOdrum:** Have any of their costs increased?

**Mr. Spence:** No, they haven't but the companies paid \$100 for these wells 50 years ago.

**Hon. Mr. Timbrell:** I think the point is that it is a contractual arrangement between the landowner and the producer, whoever that is, which the government does not and has never involved itself in.

**Mr. Spence:** So this lease will never be broken?

**Mr. MacOdrum:** It will terminate at the end of its term.

**Mr. Spence:** Yes, but if they pay the lease money, it never terminates as long as the well is producing. Is that right?

**Hon. Mr. Timbrell:** That depends on the terms of the lease.

**Mr. G. I. Miller:** I don't think they do terminate either. It is a matter of interest to a lot of producers that they don't terminate. Some of them are only \$25. Union Gas is

asking to terminate its lease with regard to its contract.

**Mr. Spence:** That's right.

**Mr. Chairman:** Anything further, Mr. Spence?

**Mr. Spence:** No, that's just what I want to know. Those landowners have gas wells for which gas companies are paying \$1 an acre under the lease, and if they keep on paying \$1 per acre under the lease on this property, their contract never terminates.

**Hon. Mr. Timbrell:** I don't know that it is true that it never terminates. It depends on the terms of the lease.

**Mr. Spence:** There are no terms on it; as long as they pay \$1 an acre under the lease.

**Hon. Mr. Timbrell:** There has to be some form of a lease, surely, that—

**Mr. Spence:** With that fine print in some of those leases, they will never terminate. When you read those leases you have got to be a contract lawyer—or two or three of them at once—to understand them. I would say as a layman it will never terminate as long as it is producing gas.

**Hon. Mr. Timbrell:** I have never seen one and if you can get me a copy of one I would like to see it. Maybe it is something we should be looking into.

**Mr. Spence:** I will see if I can get one.

**Mr. MacOdrum:** I think it is possible for a landowner to negotiate with a person going to take a leasehold interest in minerals. That's what we're talking about. We're not talking about the surface rights; we're talking about the lease of the mineral interests below the surface—

**Mr. Spence:** That's right.

**Mr. MacOdrum:** —and the assignment of those by leasehold on a perpetual basis or a 999-year basis. Again, though, we're talking about what are the terms and conditions of the lease. We're not talking about Crown land, we're talking about freehold; so each piece of land can be negotiated part by part. You can have various royalty arrangements. It can be tied to the value of the production, the actual quantity of the production, what the producer's drilling obligations will be or how much work he will do on the property. But it's all contained in the terms and conditions which are negotiated by the landowner and

the person who is going to take the leasehold interest.

**Mrs. Gigantes:** It sounds like a case for legal aid.

**Mr. Spence:** I'll tell you this: Those leases are pretty hard to break unless there's no gas from the wells. About the only way they will ever terminate is when the gas has been exhausted.

**Mr. MacOdrum:** Again, we'd have to talk about specific leases.

**Hon. Mr. Timbrell:** If you can get a copy of a specific lease, we can take a look at it.

**Mrs. Gigantes:** I would like to pick up on the line of questioning that my colleague has begun. I would like the minister, if he could, to try to explain how he sees the Ontario Energy Board fitting into the role of his ministry. He has described the role of his ministry as being one of co-ordinating energy policy in Ontario. Because of the questions the member for Beaches-Woodbine (Mrs. Bryden) was asking about the possibility of having the Ontario Energy Board become interested in the prices of all forms of energy supplied and sold in this province, I would like to know how he sees the Ontario Energy Board fitting into the co-ordinating role of the ministry. I'm having difficulty understanding that.

**Hon. Mr. Timbrell:** Okay. In addition to its responsibilities for pricing of natural gas, the board does get involved, for instance, in granting approvals to the distributors for pipeline extensions, compressor stations and that sort of thing. Their main role, though, is in the area of the gas companies and in the area of review of hydro rates.

Under the terms of the Act, I can refer to the board, under a specific reference, any energy-related matter for investigation by the board, which reports back to me and, through me, to the government.

So, first of all, it plays a regulatory role for the gas companies in terms of rates, in terms of their pipelines and so forth, in terms of the review of the hydro rates and recommendations to Hydro and the government; and in any other matter that I choose to send to them. In that way they assist in the ministry's overall role of co-ordinator and adviser to the government.

**Mrs. Gigantes:** Am I right in understanding that the role of the board within the

ministry's task is really carried out on a very catch-as-catch-can kind of basis?

**Hon. Mr. Timbrell:** No.

**Mrs. Gigantes:** It doesn't seem to be integrated into each of the energy fields in Ontario.

**Hon. Mr. Timbrell:** It certainly is in the gas area and in the hydro area. We have discussed that if the royal commissioner's investigation determines that it would be beneficial to the consumers of the province, it could be involved in the petroleum area—and it can be involved in any energy area in an investigatory role on behalf of the government and myself.

**Mrs. Gigantes:** I find it difficult to understand the exact function of the board in broad terms. I'll give you some indications of why I have this difficulty.

One is that on its particular assignments in recent times, I think it has run across the frustrating situation where, for example, questions raised in the 1974 Hydro rate hearings caused the initiation of studies by Hydro meant to answer these questions, for example on the system expansion programme. Hydro in its 1975 report—

**Hon. Mr. Timbrell:** The 1974 report did not call for further studies by Hydro on the system expansion programme.

**Mrs. Gigantes:** It called for a series of specific studies by Hydro.

**Hon. Mr. Timbrell:** Yes, it did.

**Mrs. Gigantes:** And those studies relate also to Hydro's system expansion programme and how it will be carried out. I mean those are the tools with which it will be carried out; cost allocation—

**Hon. Mr. Timbrell:** To some extent, but not on the system expansion programme. As you know, the system expansion programme was dealt with in separate hearings under a separate reference by the board. Hydro filed its material between Dec. 19, 1973, and the spring of 1974. So, in fact, the system expansion programme was thoroughly reviewed by the board under that reference.

**Mrs. Gigantes:** But many of the questions raised during both those 1974 hearings were not answered in 1974. When the Ontario Energy Board came to the 1975 rate hearings, it said that one of the main determinants, for example, of the 1976 rates was the

system expansion programme, over which it had no jurisdiction in its review in 1975.

**Hon. Mr. Timbrell:** Which is clearly the function of the government and Hydro; which the government is doing.

**Mrs. Gigantes:** I have difficulty understanding how much investigation and regulation is given to the Energy Board on a question like this, and how much you take when the government feels it must intervene on certain grounds. What kind of mandate do you give to the Energy Board in its investigation?

**Hon. Mr. Timbrell:** First of all, you must understand when you want to talk about Hydro, you have got to talk about the Power Corporation Act as well; not just the Ontario Energy Board Act. And that the powers, the functions of Ontario Hydro are set out in the Act; and the elements of power costs are also set out in the Act. There are certain statutory things they must do, like recover debt and recover depreciation and so forth. Within those bounds, Hydro then formulates their rate proposals and submits them to the Energy Board for review.

The first of those reviews was in 1974. We have just finished the second. The board did recommend a number of studies, which are under way. As far as I know, pretty well all of them will be ready for review at the board in 1976. The reviews are very extensive ones, dealing with rate making and a number of other things—depreciation and so forth—but they can't necessarily be confined to one year and finished in one year; but they are being prepared.

**Mrs. Gigantes:** This is understood, but in the meantime, before these reports are complete and before the Ontario Energy Board can pick up this new information and deal with it in future reviews, the government intervenes and unilaterally puts in a new rate increase without reference to the recommendations of the board—

**Hon. Mr. Timbrell:** The government did not put in a new rate increase.

**Mrs. Gigantes:** Can you tell me what the government did?

**Hon. Mr. Timbrell:** Well, can you tell me what you are referring to, and I will tell you.

**Mrs. Gigantes:** I am talking about the decision that was made that Ontario Hydro would have to live with the 25 per cent in-



crease in 1976, instead of the 27 per cent that the Energy Board recommended.

**Hon. Mr. Timbrell:** The government didn't deal with percentages. The government, as part of the overall effort of the province to live within its means, told Hydro to trim administrative spending and to trim the capital budget by at least \$1 billion. Hydro came back three weeks later and had trimmed \$1.2 billion, and had trimmed \$30 million from next year's administrative operating budget, which resulted in—

**Mrs. Gigantes:** Okay, but indirectly it is the same thing.

**Hon. Mr. Timbrell:** Well, from 29.7 per cent, which was the original request for the bulk power rate to the utilities, and 29.9 per cent for the direct industrials—or have I got that reversed? I think I have got that right. It came down to 25 per cent for the utilities and 25 per cent on bulk use, and it shows that we are serious about controlling costs.  
[9:00]

**Mrs. Gigantes:** But you can understand my confusion here in trying to assess exactly how you view the role of the board on a question like this; on a question of the basic and legal review of Ontario Hydro operations by the board. At one point you say "Review," and at the other point you say to Hydro, "You have to cut back," and that has an effect on the rate.

**Hon. Mr. Timbrell:** As you know, the government is in the position where, whether we're guaranteeing or actually borrowing for Hydro, we are in effect doing the borrowing, and the government has to give them their parameters. When the government was indicating that we were going to cut back, we told Hydro to do the same and now we are, through the Ministry of Energy and the Treasury and Hydro, working on further reductions to the capital programme.

**Mrs. Gigantes:** Mr. McKeough in his testimony before the select committee reviewing the 1976 Hydro rates, suggested that an area the committee should be considering for cut-back, and obviously one which he and his department will be considering for cutback in the proposed shortfall in capital, in borrowing, that he's going to allow—insist on—that Hydro—well, I sure didn't say that very well. Sorry. He suggested that the area that would have to be looked at was the system expansion programme.

**Hon. Mr. Timbrell:** Programme or charge?

**Mrs. Gigantes:** I don't know that you can talk about one without talking about the other and I certainly had no impression that he was trying to isolate one from the other.

**Hon. Mr. Timbrell:** I haven't read the transcript and I haven't talked to the Treasurer about his testimony at the committee.

**Mrs. Gigantes:** It strikes me as quite strange when, in the same year, the Energy Board is reporting that it could not consider as part of its jurisdiction in reviewing the 1976 rate, it couldn't consider the system expansion programme, though it considered it the real determinant of the 1976 rates.

**Hon. Mr. Timbrell:** The board had already determined the system expansion programme in a reference between Dec. 19, 1973, and the spring of 1974.

**Mrs. Gigantes:** It obviously felt that in reviewing the 1976 rates it was being forced to remove itself from a reconsideration then.

**Hon. Mr. Timbrell:** Maybe the chairman would want to correct me on this, but I think that where that comment from the board arose was from the fact that several of the interveners brought up again the question of the system expansion programme and charge, notwithstanding that it had been dealt with a year ago. Do you want to comment on that, Mr. Jackson?

**Mr. Jackson:** Mr. Minister, I did not sit on the panel that heard the case this year and wrote the report, but I've heard this particular reference before and discussed it with one of the members of the panel, because it left me somewhat confused.

What the panel was getting at is that Hydro's system expansion very definitely is a determinant of Hydro's rates, but they expressed themselves rather badly in their report this year. What they were really trying to say there was that although it's a determinant of the rates, there's very little they can do about the rates for the year ahead as a result of the system expansion, because that part of the system expansion that affects the 1976 rates was determined long ago and very little can be done about it. I know if you read the report what I've said is not very obvious, but I've discussed it with one of the members as a result of some confusion myself, and this is the explanation I got, which is the only explanation that makes sense to me, to be quite frank about it.

**Mrs. Gigantes:** I must admit I remain in confusion about how the board plays a role which is integrated into a ministry which you say plays a co-ordinating role in the planning and distribution and sale and pricing of energy in Ontario, because it seems to me that the approach and the number of references are disconnected in many ways. When Mrs. Bryden asks you about the role in various energy areas that might be assumed by the OEB, I think what she and I are both interested in is how do you look upon that board? Is it an integral part of your ministry and the function of your ministry in co-ordinating energy uses and so on in Ontario?

**Hon. Mr. Timbrell:** I hope you understand that the board is not part of my ministry except for budgetary purposes. They report through me and they get their money from me but they are an independent body. We write their Act and send them the references, but the board is independent to give advice within the terms of the Act on any reference that they are sent and to carry on the ongoing function of the regulation of the natural gas companies and the annual review of the Hydro rates which is determined by the reference which the Minister of Energy sends to them after receiving Hydro's rate proposals at the end of April which it is required to do.

I think part of your confusion with the Hydro thing is the fact—and I hope this is becoming clear as you get more involved and aware of Hydro matters—that when you talk about the system expansion programme you are talking about projects which have a tremendous lead time. You don't just turn the system expansion programme on and off like a tap.

**Mr. Sargent:** Yes, but you don't need \$30 billion worth of lead time.

**Hon. Mr. Timbrell:** When you've got men working up in Owen Sound in the Grey-Bruce area on a project you don't lay them off today and rehire them tomorrow.

**Mr. Sargent:** You ran the operation for six months with 120 employees with no supervision at all.

**Mrs. Gigantes:** Could I ask a question on that point? I'm quite interested in that. One of the other things that the Treasurer (Mr. McKeough) had to say to us when he met with us last week was that when we were reviewing the expansion programme and if we're looking at the ongoing projects and the far-distant projects of Hydro, we should be thinking also about how any change in

that programme might affect the manpower policy of this government. Does an Energy Board review relate to that? How the devil can the Energy Board sitting in 1974 take account of, as far as I know, an undefined manpower policy in Ontario? Is it part of their reference or is it not? How do they link with the ministry?

**Hon. Mr. Timbrell:** It was not part of their reference.

**Mrs. Gigantes:** Then how can they make a decision when the Treasurer will turn around and second-guess perhaps one of their decisions on the basis of manpower policy?

**Hon. Mr. Timbrell:** As I understand it, your committee wants to get into the system expansion programme, and that's all well and good. I think what the Treasurer was getting at is that if you're talking about this—and certainly as we get into the review of the capital programme, we have to look at this—then you have to determine whether it involves any layoffs at the projects which are presently underway. Does it involve cancellation of projects involving, let's say, turbines from CGE in Peterborough and possible layoffs there?

**Mr. Sargent:** All on a low-tender basis.

**Hon. Mr. Timbrell:** We've had a very good session for the last four days. It's nice to see the member for Grey-Bruce.

**Mr. Sargent:** I am sorry I wasn't here. I wish to hell I had been.

**Hon. Mr. Timbrell:** You do have to consider these things.

**Mrs. Gigantes:** It must be very frustrating to be a member of an energy board which does the best job within its mandate then turns around to be second-guessed by a provincial Treasurer.

**Hon. Mr. Timbrell:** As far as I know, none of the members of the Energy Board has got an ulcer, but I do.

**Mrs. Gigantes:** Maybe you deserve it. I don't understand how you mean the Energy Board to relate to the kinds of decisions that your ministry, the provincial Treasurer, perhaps the select committee and certainly the government may make.

**Hon. Mr. Timbrell:** I don't know how I can make it any clearer. The board has the function to review the annual rate request of Ontario Hydro. I think that's where you are



hung up. You understand the gas part of it, I hope, because that's fairly clear-cut and straightforward. With regard to Hydro, the board is to consider the annual rate request within the term of the reference from the minister to the board and to report back to the minister and to Ontario Hydro. It is to advise the government on this and to advise the government on any other reference which is directed to it. The reference to the system expansion programme was a specific reference under section 37(e)—if I remember my law, I think it is 37(e)—of the Energy Board Act by which the minister can direct to the board any specific questions for advice to the government.

**Dr. Higgin:** Section 37(a)4, Mr. Minister.

**Hon. Mr. Timbrell:** I'm sorry, it's 37(a)4.

**Mr. Ruston:** We'll give you an A for getting so close, Mr. Minister.

**Mrs. Gigantes:** How would you feel if you were a member of the board which reported on that expansion programme in 1974 and the rate increases for 1975; and you were on the board in 1975 when it reported on the 1976 rates and then, after months and months of work, you were second-guessed by a provincial Treasurer who started talking in terms of new economic facts of life, concern about the social priorities of the province and, potentially, manpower policies?

**Hon. Mr. Timbrell:** That is no different, except perhaps in scale, from the changing world of the natural gas business and the problems which the Energy Board has to cope with in regulating the gas companies. It is not a cut and dried situation which doesn't change year to year; it is a very fluid situation, the energy business.

Surely you are not suggesting that the government, when it sees fit, shouldn't give that kind of direction to Hydro which, granted, causes some problems for Hydro and for the Energy Board? We don't go out of our way to create problems for the Energy Board but we can't avoid creating some—for Hydro or anybody else.

**Mrs. Gigantes:** If I can make one more comment—I don't like to belabour the point as far as I have—it seems to me that the way the Energy Board has been used in these two years of hearings has been almost as a technical committee.

**Hon. Mr. Timbrell:** I'm sorry. Which has been used almost as a technical committee?

**Mrs. Gigantes:** It has been used almost as a technical committee of review. And if that is so—

**Hon. Mr. Timbrell:** It is not, but carry on.

**Mrs. Gigantes:** Do I see Mr. Dillon nodding?

**Hon. Mr. Timbrell:** He can read his writing, I can't.

**Mr. Dillon:** I can read my own writing—at least I think I can as long as I look at it soon enough. Perhaps I could help here. In the recommendations put forward by Task Force Hydro it was recommended that the government's part in the operation of Hydro, which was considered to be an agent of government, was to lay down clear policy directives in a number of areas.

These include such things as capital markets, industrial development, environmental standards, regional development, systems security and a number of others. Without this clear directive Hydro really has nothing to go on except the simplest mandate that it is to estimate the demand and build the system to meet that demand with no other constraints.

It is up to Hydro, having got this policy direction in a number of areas from—

**Mrs. Gigantes:** From which arm of the government?

**Mr. Dillon:** From the government, through the Minister of Energy. It is up to Hydro to build the system and operate the system within these constraints, within these policy guidelines, if you like. Once that has been established the suggestion is that the Ontario Energy Board monitors the system.

It reviews the rate proposals to ensure that the proposals being put forward by Hydro not only provide the power at cost but are also within the policy constraints which the government has superimposed, if you like.

**Mrs. Gigantes:** So it is a kind of audit and the Energy Board is not supposed to define, for example, whether the system expansion programme is appropriate?

**Hon. Mr. Timbrell:** Unless they are asked, which they were in late 1973, on Dec. 19.

**Mr. Dillon:** That's right. Actually it was just before that—

**Mrs. Gigantes:** Is that compatible or not with the recommendations of Task Force Hydro, in your mind?



**Mr. Dillon:** Would you please ask the question again to make sure that I understand?

**Mrs. Gigantes:** Is that reference, that special reference from 1973 compatible or not in your mind with the recommendation you just elaborated to me from Task Force Hydro? It seems to me that there is a conflict.

[9:15]

**Mr. Dillon:** I would say it was compatible, because there was a specific reference in this case, in the light of new circumstances, that the Ontario Energy Board is going to be asked for the first time to review a rate proposal. There had to be some basis, if you like, getting the guidelines and ground rules straightened out, and therefore there was a specific reference made, as the minister says, in December.

**Mrs. Gigantes:** Task Force Hydro—excuse my interruption, if I could catch you there—you have just finished telling me, had suggested that the government lay down the policy guidelines and, in fact, in 1973 the government then asks the Ontario Energy Board to change its role a bit and review the system expansion programme.

**Hon. Mr. Timbrell:** No. You have to look at the follow-up to that—the June, 1974, statement of the then Minister of Energy on the system expansion programme, which was as a result of the review by the Energy Board.

**Mr. Dillon:** The board is also required to make a report to the ministry on any energy matter. In order to get this new system of rate review started, the Minister of Energy referred to the Energy Board the question: "Is Ontario Hydro's capital construction programme, as announced some months before, a fair ball?" The Energy Board—

**Mrs. Gigantes:** What does a fair ball mean, Mr. Dillon?

**Mr. Dillon:** Is this justified, in the opinion and the judgement of the board.

**Mrs. Gigantes:** Justified in what sense? In a political sense or in a technical sense? Because the description you have given to me of the task force recommendation limits the role of OEB to a very technical kind of role, but then, in the reference on the expansion programme, it is assigned what I assume must have been quite a sensitive evaluation role of the importance of that programme within the

context of Ontario Hydro and its role in Ontario. The reason that I have insisted on this point is that we have been told again and again, by Hydro, by Mr. McKeough and by Mr. Timbrell, that the expansion programme has been reviewed by the OEB and therefore we should be very leery of reviewing it, in a sense—

**Hon. Mr. Timbrell:** No.

**Mrs. Gigantes:** —that there has been an adequate review by the OEB. It seems to me you are asking the OEB to play two roles here and in conflict.

**Hon. Mr. Timbrell:** Just a minute, you are misquoting.

**Mr. Roy:** That is a serious charge to be made.

**Hon. Mr. Timbrell:** It is nice to have your contribution too. When the whole thing was set up, what I indicated was that I hoped that in looking at the rates the committee wouldn't rehear the whole OEB case—the 55 days, the 9,000 pages of testimony.

**Mrs. Gigantes:** Is that the 1975 or the 1974?

**Hon. Mr. Timbrell:** The 1975 hearing.

**Mrs. Gigantes:** It was in these estimates the other night that you assured participants, the members here, that in fact the Hydro expansion programme had been reviewed in 1974. At one time we will get a statement from a minister which indicates we should be looking at that programme, and at another we will get a statement which indicates that the programme has been reviewed.

**Hon. Mr. Timbrell:** Obviously, your committee will do what they want. What I am saying is—

**Mrs. Gigantes:** I am not asking about the committee per se. I am interested in the kind of role you see for the OEB.

**Hon. Mr. Timbrell:** What I am saying is that the programme has been reviewed at length at the Energy Board; the programme has been put back further as a result of the capital constraint, as directed by the Treasurer, and the programme is being reviewed again by the Treasury, the Ministry of Energy and Hydro, to try to cut it down further.

**Mrs. Gigantes:** Mr. Chairman, would you mind if I ask Mr. Dillon to try again to

explain to me, because I think I was coming closer to understanding where he was going than I have with Mr. Timbrell?

**Mr. Chairman:** It is certainly within order to question through the Chair to the minister, and if the minister so desires he may ask his staff to answer.

**Mr. Dillon:** This is a dynamic situation. It doesn't stand still; it keeps going. I think that the government, through the statements of the Treasurer earlier this year in respect of the mini-budget and so on, has given firm policy direction to Hydro having to do with the expansion of the system; indirectly it has to do with system security and so on.

The government called on Hydro, in the midst of the hearings, saying that these were extraordinary times and it had to cut \$1 billion out of its capital programme. It responded and it did this. This becomes a new ground rule for Ontario Hydro to operate to.

As the minister has indicated, the government is determined to see if more savings can be made. These are the kinds of policy directions I was referring to; and each time a policy direction from a certain area is passed on to Hydro the situation changes slightly. These policy issues are all inter-related. If you're talking about capital markets and you say we're going to cut capital expenditures, this relates directly to system expansion, to the security of the system or to the load which you're going to be able to meet in 10 years' time. These things are not independent variables; they're all tied together.

**Ms. Gigantes:** It's the role of the board I'm interested in. Perhaps if I say in 1973 the board is asked by the ministry to review the system expansion programme, presumably within government guidelines. Presumably the government, in recommending in principle that the system expansion programme be accepted in 1973, then creates a set of guidelines for the board. The board looks at the system expansion programme and then watches as the government lays down new guidelines in the next year.

What I would like to know is how a minister or how a spokesman for the government can then say, as the minister did in estimates the other night, that the system expansion programme has been reviewed. And that was in answer to what I think were earnest questions from people about that programme. You say, in defence of the programme, it has been reviewed by the Energy Board. But in fact it was reviewed by the Energy Board

within the principle of the government's accepting certain guidelines in 1973; and now you're telling Hydro it's in for another review now.

**Hon. Mr. Timbrell:** Does anybody have the 1973 reference on the system expansion here? Okay.

I think my comments were due to the fact that some people seemed to be operating under the impression that the system expansion programme had just somehow evolved, that it had never been reviewed. What I was trying to point out was that in fact it had been reviewed by the OEB; that in June, 1974, the minister, on behalf of the government, had issued a policy statement on things that were approved, things that were to be delayed and things that were to be further reviewed within the government and in Hydro.

I'll read to you the letter from the then Minister of Energy to the then chairman of the Energy Board, Mr. Clarkson. This letter is dated Nov. 5, 1973:

Pursuant to subsection 4 of section 37(a) of the Ontario Energy Board Act, I hereby refer to the board for investigation and examination and report the following matters affecting or related to rates or charges of Ontario Hydro; namely:

1. The policies and practices respecting expansion of the Ontario Hydro power system, including the generation development programme for the period 1977 to 1982, which was approved in principle by the government in June, 1973, subject to review.

2. The financial policies of Ontario Hydro, together with the national objectives. Pursuant to subsection 6 of section 37(a) of the Act, the following terms of reference are specified for the guidelines of the board:

It is intended that the reference cover broad policy matters and that detailed study of associated issues be deferred until later hearings. In particular, the details of depreciation policies, interest and overhead allocations of power costing are not included in this initial reference. [They were later.] Priority should be given to investigation of the generation development programme for the period 1977 to 1982, including a review of the following factors:

The load forecast, planning the new generation and bulk transmission facilities, system reliability, interconnection of power



pooling, economic analysis governing investment decisions, fuel and heavy water supplies, and operation and maintenance considerations.

3. The programme for new generation and bulk transmission. In the review of the power system expansion programme, emphasis should be placed on generating facilities, but the bulk transmission system should be considered to the extent that it complements generation facilities in planning the total power system. In-depth studies of non-generation facilities, as well as peripheral matters such as pricing, export, and non-firm electricity sales, should be excluded from review on this initial reference. Environmental matters, including the siting of power stations and transmission corridors which are subject to review or regulation through other processes, should also be excluded. The investigation of the financial policy should cover:

a) The stated financial objectives of Hydro.

b) Financial integrity, criteria, debt-equity ratio, rate of return, interest coverages, and capital availability.

c) Liquidity levels.

d) Basis for financial charges included in the cost of power, and

e) Basis for setting annual aggregate revenue requirements.

Kindest regard,

W. D. McKeough,  
Minister of Energy.

That was the reference that was made to the board under which they reviewed the system expansion programme.

Mrs. Gigantes: There is no reference there that would imply guidelines of the kind that Mr. Dillon is talking about, suggested by Task Force Hydro.

Mr. Dillon: Most of them, I think, were mentioned.

Hon. Mr. Timbrell: Yes. Capital constraints; had to look at these specific areas—

Mr. Sargent: Subject to review.

Hon. Mr. Timbrell: —in determining whether the system expansion programme that had been announced earlier in 1973 by Hydro was a reasonable programme.

Mr. Dillon: Incidentally, I don't know how long before but I would say it was just a few months before this reference that for the first time Hydro's capital construction pro-

gramme was reviewed and reported on publicly. It was submitted to cabinet, and this was a direct outgrowth of the task force report.

Mrs. Gigantes: You have just explained to me, Mr. Dillon, that Task Force Hydro recommended that, in fact, the kind of review of Ontario Hydro programme that the OEB be called upon to do be limited to the area of carrying out government guidelines, and then you tell me that this reference includes some of the elements that constitute guidelines. Now there seems to be a conflict there.

Hon. Mr. Timbrell: Would you excuse me? I don't see it.

Mr. Dillon: I just haven't made myself clear I guess.

Mr. Sargent: Mr. Chairman, I have a few points to bring up.

Mrs. Gigantes: I would like to ask one more question. If the capital limitations in which Hydro must operate are part of government policy to lay down, then why is that referred to the OEB in December of 1973?

Hon. Mr. Timbrell: I'm sorry, can I have the question again? If capital restraints or limitations?

Mrs. Gigantes: I just asked you if the guidelines under which Hydro operated in such an expansion programme were part of the reference. You both said yes. For example, the capital limitations that might exist on that programme.

[9:30]

Mr. Dillon: I think the board was asked to look at the capital construction programme, taking into account the capital market situation. In other words Hydro was asked to indicate how it related its capital construction programme and the capital it saw being necessary for the programme to the supply of capital. This was a concern of the government. I can't remember the details but I'm sure this was referred to as it was investigated by the board and the indications were that the capital Hydro foresaw as being needed would be available. It's a constraint which is very important but I don't think the board was being required to set the constraint itself. That wasn't the point.

Mr. Chairman: For the information of the members we now have approximately one hour or less to complete these estimates. I have the following names still to speak on



1803 and we still have 1804 to do. Mr. McCague, Mr. Sargent, Mr. Williams and Mr. Roy.

**Mr. McCague:** Mr. Chairman, does this ministry have the right to dictate the methods of construction of pipelines?

**Hon. Mr. Timbrell:** The ministry? No.

**Mr. McCague:** Who does?

**Hon. Mr. Timbrell:** The Energy Board deals with the question of pipelines and the Ministry of Consumer and Commercial Relations—which branch is it? The energy safety branch deals with construction.

**Mr. MacOdum:** These are just intraprovincial pipelines.

**Hon. Mr. Timbrell:** That's right. I should qualify that and say these are pipelines of the companies operating within the province. The pipelines or TransCanada PipeLines and the interprovincial pipelines are regulated by the federal government.

**Mr. McCague:** By the National Energy Board?

**Hon. Mr. Timbrell:** That is right.

**Mr. McCague:** When pipelines are being constructed is there anything done to ensure that the topsoil is taken out and replaced in its former position?

**Hon. Mr. Timbrell:** Yes. This is a usual requirement of any order, as I understand it, issued by our own board on intraprovincial pipelines. We have expressed some concern about the way the National Energy Board is supervising construction of interprovincial pipelines.

**Mr. McCague:** When did that start?

**Hon. Mr. Timbrell:** When did what start?

**Mr. McCague:** You're watching what they did?

**Hon. Mr. Timbrell:** Watching what who is doing? The companies in the province or the interprovincial—

**Mr. McCague:** The contractors in our own province.

**Hon. Mr. Timbrell:** How long have we had an inspector with the Ontario Energy Board?

**Mr. Jackson:** We've had a local inspector for about 10 years who checks up on con-

struction. Topsoil removal may not be quite that well established but almost so. It has been the practice for many years.

**Hon. Mr. Timbrell:** How long has the NEB had inspectors? Do you know off-hand?

**Mr. Jackson:** A much shorter time than we have, I'm not sure.

**Hon. Mr. Timbrell:** About seven years, Mr. Clendinning?

**Mr. Clendinning:** I can't specify the number of years but the NEB has had inspectors on pipeline construction under its jurisdiction for several years. I'm not certain exactly how many.

**Hon. Mr. Timbrell:** I should say, as you know, that, particularly in connection with the Sarnia to Montreal pipeline Ontario did intervene and offered to assist in the inspection. Mr. Clendinning has been basically the one person in the provincial government who has fielded the complaints from the federation and from individual farmers. He has contacted the federal government to get a resolution of the problems as quickly as possible.

**Mr. Sargent:** I regret not being here for the last four days, not being able to be in two places at once. In this far-ranging dialogue tonight I would appreciate it if I can ask some questions and if they have been answered, forgive me.

**Mr. Chairman:** As long as they relate to the Energy Board.

**Mr. Sargent:** Yes, I know that. For years the elected body had no say in Hydro in this province for many years until—was it 1973 when Mr. McKeough was over here with the Energy Board or Energy Corp.? What is the difference between the Energy Board and Energy Corp.?

**Hon. Mr. Timbrell:** The Energy Corp. is an investment body paid by the government to invest in energy projects, to bring supplies to the province. The Energy Board is, as we have described it, a regulatory and advisory body. I would say though that the Power Corporation Act, which is the Bible, if you will, that Ontario Hydro lives by, is in the hands of the legislative assembly.

**Mr. Sargent:** Well that was subterfuge. The member for Simcoe Centre (Mr. Evans) could never say anything in the House. We had no one to report on Hydro until Mr. Mc-

Keough took it on to speak for Hydro in the House.

**Hon. Mr. Timbrell:** No, Hydro always reported to a minister.

**Mr. Sargent:** What minister?

**Hon. Mr. Timbrell:** It was Environment before this ministry was formed. And before that it was Energy and Resources, and before that—

**Mr. Sargent:** Yes, but it was like pulling teeth. He didn't know anything. So what in the hell was the use of asking him anything? And you know that is a fact.

**Hon. Mr. Timbrell:** No, I don't know it is a fact.

**Mr. Sargent:** However, it doesn't matter. The thing that I am concerned about is that in 1974, at the formation of this vote, this story appeared in the April 1 issue of the—

**Hon. Mr. Timbrell:** Sorry, the formation of which vote, Mr. Sargent?

**Mr. Sargent:** The Energy Corp.

**Hon. Mr. Timbrell:** We are not on the Energy Corp.

**Mr. Sargent:** Energy Board, I am sorry. It is all the same kettle of fish. This takes one minute, Mr. Chairman. It says:

After 68 years as the no-nonsense bastion of public ownership in a critically important industry, Ontario Hydro is cautiously opening its doors to let private business become a part of the province's electrical system. With the firm hand of Ontario Energy Minister Darcy McKeough planted squarely in its back, Hydro now finds itself engaged in secret negotiations with consortiums and combinations of private corporations eager for the profits possible in the heavy water business, which is the essential part of Ontario's big plans for nuclear power. Promising incredible opportunities for profit, McKeough has offered private industry a chance to build [etc.]

Now, the consortium formed was finally boiled down from 60 firms to five firms. Would it be fair to ask you the names of these five firms?

**Hon. Mr. Timbrell:** The point of the exercise that the former minister was trying to bring about was to try to relieve Hydro of some of the burden of having to raise capital to construct some of these projects and particularly, as you mentioned, the heavy water

plants. The cost of heavy water plants is now up to \$600 million or \$700 million per installation, as I recall. And what he was trying to do was to try to pull that burden off Hydro so that they didn't have to construct plants themselves and have to raise that kind of money through borrowing at rates which for all intents and purposes—

**Mr. Sargent:** You know that is peanuts in this business; \$600 million.

**Hon. Mr. Timbrell:** I am sorry, I don't agree. I feel \$600 million is an awful chunk of money to have to come up with.

**Mr. Sargent:** You just cut twice that in your budget. That is not very much money.

**Hon. Mr. Timbrell:** From my budget?

**Mr. Sargent:** From Hydro's budget then.

**Hon. Mr. Timbrell:** We have cut \$1.2 billion up to the early 1980s, and hopefully we can cut a lot more if we carry on the review between the ministry, the Treasury and Hydro on their capital programme. But I am surprised you would think it is an insignificant amount of money. If there is any way to save Hydro having to borrow these large sums of money, I would think you would support that.

**Mr. Sargent:** You don't have to. You are committed to a \$20 billion programme in the most serious inflationary times in the history of our country. It is the most serious time in the history of our country, of our province—when you are almost at the point of insolvency. You are hell bent down the road with a \$20 billion programme in nuclear power.

**Hon. Mr. Timbrell:** I don't think our province is verging on the brink of insolvency.

**Mr. Sargent:** Did your bonds sell on the market last Friday? Is the \$300 million bond issue being picked up?

**Hon. Mr. Timbrell:** I haven't talked to the Treasury to find out how the issue is going.

**Mr. Sargent:** Do you know that?

**Hon. Mr. Timbrell:** No news is good news. They haven't—

**Mr. Roy:** Don't be too sure about that.

**Hon. Mr. Timbrell:** I just repeat; I don't think the province, if almost insolvent, in your words, would have its credit rating confirmed as triple-A.

**Mr. Sargent:** No, Standard and Poor said double-A. They are the main authority.

**Hon. Mr. Timbrell:** Oh, I see.

**Mr. Sargent:** Just because McKeough and Davis took Moody's Investors out for dinner, it doesn't mean that that counts. Standard and Poor is the final authority.

**Hon. Mr. Timbrell:** I have the impression that no amount of wining and dining would—

**Mr. Sargent:** That's my opinion.

**Hon. Mr. Timbrell:** Yes, we know.

**Mr. Sargent:** It could happen. What are the names of the five companies?

**Hon. Mr. Timbrell:** This will give you some idea of the firms that were involved in the process that the then minister went through. Acres were involved—they were putting together a proposal; McLeod, Young, Weir; Fry, Mills, Spence; Greenshields. These are all separate groups. I don't know offhand the names of all the members of their groups, but these are ones who were interested in discussing the possibility of private sector financing of heavy water facilities.

**Mr. Sargent:** So how many companies are there?

**Hon. Mr. Timbrell:** Among all of these I suppose there were as many as 20. They were different ones associated with each grouping.

**Mr. Sargent:** They have the inside track, then, on the nuclear programme?

**Hon. Mr. Timbrell:** No.

**Mr. Sargent:** If they don't have it then what good is their putting money into it?

**Hon. Mr. Timbrell:** What was being proposed was that they would put up the money to build heavy water plants.

**Mr. Sargent:** They would put the money up to build the heavy water plants? And who would they buy them from, themselves?

**Hon. Mr. Timbrell:** Who would what?

**Mr. Sargent:** To whom would they place the business?

**Hon. Mr. Timbrell:** Obviously—

**Mr. Sargent:** Yes, obviously.

**Hon. Mr. Timbrell:** —there is only one buyer.

**Mr. Sargent:** In other words, I understand, Mr. Minister, that all of the programmes in this multi-billion-dollar programme we're involved in now are all on the proposal system? There are no low tenders?

**Hon. Mr. Timbrell:** What?

**Mr. Sargent:** All the purchasing, all the contracts being made in the nuclear power programme, all these contracts are not on a low tender system but they are all on the proposal system?

**Hon. Mr. Timbrell:** No.

**Mr. Sargent:** You deny that?

**Hon. Mr. Timbrell:** Yes, I deny it.

**Mr. Sargent:** Do you say it's all low tender?

**Hon. Mr. Timbrell:** There are some instances where there are negotiations—

**Mr. Sargent:** Will you please answer the question? Is it proposal or low tender?

**Hon. Mr. Timbrell:** There are some instances where—let me think.

**Mr. Sargent:** You had better qualify this very clearly.

**Mr. Chairman:** Let the minister answer now.

**Mr. Sargent:** George, we're going to bench you on Thursday.

**Mr. Chairman:** Don't worry, we'll get a new coach.

**Hon. Mr. Timbrell:** As long as you're not going to be the manager of the club.

**Mr. Sargent:** That could well be.

**Hon. Mr. Timbrell:** Or the trainer, good God.

**Mr. Roy:** He'll probably be chief strategist.

**Hon. Mr. Timbrell:** Chief strategist? There are instances where there are negotiated prices for equipment, for instance—

**Mr. Sargent:** What is a negotiated price?

**Hon. Mr. Timbrell:** As soon as I finish choking I'll tell you. Excuse me. At Pickering, they wanted to have the same turbines in Pickering B as in Pickering A, both to save time and money in delivery and in terms of interchangeability of parts and for maintenance sake. The staff will correct me if I'm wrong. It was a tender deal on Pickering A



and a negotiated price on Pickering B. By and large, the policy is to tender these things.

**Mr. Sargent:** But the words "negotiated price"—these 20 firms in the consortium have the right—

**Hon. Mr. Timbrell:** Okay, go on. You're mixing things, but okay.

**Mr. Sargent:** You're talking big money in this operation and one thing I do hate is a smartass. I'm not very smart but I would like to have straight answers to my questions. I don't like the term "negotiated prices." I want to find out what that means. The fact is that this consortium of firms who have the inside track have the right to place business to their friends and not on a low tender basis. You say negotiated prices. I know this is not right.

[9:45]

**Hon. Mr. Timbrell:** What are you talking about here? Maybe I have the same difficulty with you as with some of the other members. I'll let the deputy try, and then we will come back to it.

**Mr. Dillon:** Perhaps this would help. When the proposal was discussed with Hydro by the minister that this approach be tried, the objectives were two: First of all, to try to broaden the base of technical expertise in Canada in this field; and, second, to do the financing in a new way, in other words where it would not involve the raising of capital publicly.

I think, there were about five consortia. I am not sure. The names that I have suggested to the minister were names that were associated with each one of these different groups. As it turned out, nothing was done. Hydro did not come to terms with any of these consortia and, therefore, the heavy water programme is proceeding on the basis of regular financing. One other thing, there was a stipulation made and Hydro agreed to go along with this. It was the minister's suggestion.

They agreed to go along with this on the understanding that for this project technical control, that is, all the design and the letting of contracts—this is the area I think of your concern—would all be done under the direct control of Hydro and its firm of experts who were Lummus Canada Ltd. They were the only ones that Hydro felt had the expertise to build one of these plants so that it would work. It was agreed that if a consortium came along which included engineering as well as financing, Lummus and Hydro would still retain the technical control. The whole

thing would have been done, had one of these consortia had a proposal that was acceptable.

**Mr. Sargent:** I appreciate that, but getting back to the first premise, motivation, in the words of Mr. McKeough, it was to give the private sector a piece of the action.

**Mr. Dillon:** That's true.

**Mr. Sargent:** At public funds. The motivation for these firms or the consortium being given a piece of the action was not to give the business to their competitors; would you believe that?

**Mr. Dillon:** The reason that this did not go ahead was that none of these consortia could come forward with a good enough deal. In other words, the tax laws and so on which are in force now, and were then, were such that it was cheaper for Hydro to go ahead on its own on the old system and, therefore, there was nothing done. If there had been no savings, there was no intention of going ahead.

**Mr. Sargent:** To this point then, the consortia had not yet put together a package?

**Mr. Dillon:** Oh, no. The whole thing is—

**Mr. Sargent:** The whole thing is down the drain then?

**Mr. Dillon:** It is in complete limbo. The construction is going ahead.

**Hon. Mr. Timbrell:** They weren't able to come up with a proposal that could save Hydro any money.

**Mr. Dillon:** There were no savings.

**Mr. Sargent:** Lummus is still the driver.

**Mr. Dillon:** Right.

**Mr. Sargent:** In view of this then, how do you justify the magnitude of your programme? Nothing in the whole world is comparable to what you are doing. In other words, you are going to build 10 Niagaras, in the words of John Robarts, at the outset of this thing, when we know that no insurance company in the world would insure you or your home or anybody in North America against the dangers of radiation from nuclear power.

Secondly, over 50 per cent of all the nuclear projects in the US have been called to a halt at this point.

How do you justify going to the people of this province and saying you are going to continue on this programme for nuclear de-

velopment to the extent of \$20 billion to \$30 billion, when we have so many other forms of energy possible that you are not even looking at but are going down this road? In our lifetime, it won't be any more than 10 per cent or 15 per cent of the total power load. And you are doing so in spite of the fact that we are losing \$8 million a day in debt. The minister is scowling.

**Hon. Mr. Timbrell:** I'm scowling because you throw out so much misinformation, so many untruths—

**Mr. Sargent:** What do you need verification for?

**Hon. Mr. Timbrell:** All right. Where have 50 per cent of the nuclear projects been closed down and what is your source?

**Mr. Sargent:** There are reports in the New York Times every week about the projects that are being scaled down and held up because of lack of money and the danger of radiation.

**Hon. Mr. Timbrell:** The main problem is lack of money.

**Mr. Sargent:** Lack of money, right. In view of the Times?

**Hon. Mr. Timbrell:** There is a plant not far from here, Detroit Edison's plant—

**Mr. Sargent:** Let's leave it then. Why can you afford to do it then?

**Hon. Mr. Timbrell:** Just a minute. Let's not just leave it. You throw out misinformation and untruths and then you want to just leave it.

There's a plant not far from here which is being built by Detroit Edison and which is three-quarters finished. Detroit Edison can't get the money (a) because they can't get their rates approved and (b) because of that, they can't borrow. So here's a nuclear plant, probably costing over \$1 billion, that is three-quarters finished; they can't finish it and they can't deliver anything to the system.

There are a number of other utilities throughout the United States that have had to delay, defer or cancel projects because of financial reasons or because the growth in their system isn't what they expected, so they are delaying them. But you talk about them being shut down. Maybe you would like to be a little bit more specific.

**Mr. Sargent:** I said the projects in the process of being built had been stopped.

**Hon. Mr. Timbrell:** Because of lack of money.

**Mr. Sargent:** Lack of money, but one of the other reasons was the radiation danger and they were not sure the environmental people would go along with them.

**Mr. Dillon:** I think you are expressing a concern that is valid and one that concerns us. It can be explained this way: There is a segment of the scientific community—in fact, I suppose the whole scientific community points out these dangers. There are no satisfactory answers, but it is our judgement that the risks involved are worth taking in return for the benefits that accrue. This is in spite of the fact that there are reputable scientists who are saying that this is a mistake. However, I think about 95 per cent of the scientific community in the free world will side with this government.

**Mr. Sargent:** I appreciate the fact that the deputy minister is committed to this programme. But the head of the AEC in the United States said, "All we can hope to do is guess and hope we are right." But the fact remains that no insurance company will touch anything anyone owns for insurance because of the dangers of radiation and nuclear fault. Okay, we'll leave that.

**Hon. Mr. Timbrell:** Excuse me, that's the unknown. First, let's not forget you are talking about the different systems that the Americans have from ours. But here in Canada the safety standards are set by the federal government through the Atomic Energy Control Board and they are very closely adhered to by the—

**Mr. Sargent:** Mr. Minister, I have been in this business longer than you have; I'm sorry I'm not as knowledgeable as you are, but I want to tell you something—

**Mr. Chairman:** Will you let the minister finish his response?

**Mr. Sargent:** I just want to interject regarding what he's saying.

**Mr. Chairman:** No, let the minister finish first.

**Mr. Sargent:** All right.

**Hon. Mr. Timbrell:** —and the utilities who are thereby regulated follow those standards very closely, both for construction and operation and siting of nuclear plants.

Regarding the point you raised about emissions, the plant that we're operating at Picker-

ing is operating at one per cent of what the Atomic Energy Control Board of Canada has recommended as a safe level of radiation emissions from the unit. The operating record, in terms of safety and in terms of efficiency, is unequalled anywhere in the world. In Ontario, I think we lose about 1,200 or 1,700 people a year on the road. We've never lost a single person—

**Mr. Sargent:** You don't lose them singly; you lose them by the thousands when it happens. Have you read the book called "Poison Power," which is the foremost authority on nuclear danger in the world today?

**Hon. Mr. Timbrell:** The author?

**Mr. Sargent:** There are two authors. I phoned the two authors in the United States and asked them if they would be available to come to Canada to go on panels to show the people exactly what we're faced with. I live in an area, the Douglas Point area—

**Hon. Mr. Timbrell:** To talk on the CANDU system?

**Mr. Sargent:** —and I know we've had to have a park closed down. We've had to put up a hut to keep people away from where the gauge is on. We're forever moving the people away from the plant.

**Hon. Mr. Timbrell:** Which plant?

**Mr. Sargent:** Douglas Point. I live near there; it's in my riding. Regardless of that, I asked the gentlemen if they would come to Canada and they said they'd been in touch and they'd already set up a deal to go on a panel show, national, coast to coast in Canada. AECL forbade them to come because—I got the word back from the people in the States—they did not want to expose exactly what we're facing in Canada.

**Hon. Mr. Timbrell:** Who at AECL did that? Since they don't have any control—they don't have any control over—

**Mr. Sargent:** This was two years ago. I can go back in my files and find out the names and authenticate this. But it is a fact that in my years here—I'll be getting out of this business soon—but I want to say that it amazes me—

**Hon. Mr. Timbrell:** I'd like to vote on that.

**Mr. Sargent:** I wish I could get you out on a hockey rink. Boy, I'd fix you. However, smart guy, where does Macaulay come into

this picture in energy here? Is he in this vote?

**Hon. Mr. Timbrell:** Can we finish one thing?

**Mr. Sargent:** No, I just don't want to talk to you.

**Hon. Mr. Timbrell:** Fine.

**Mr. Sargent:** May I ask the deputy minister, where does Macaulay come into this picture, Robert Macaulay?

**Mr. Chairman:** Could I remind the member we have three speakers yet to go and I gather we want to finish it all by tonight.

**Mr. Sargent:** I've two more questions. One of your colleagues took 45 minutes to ask some questions. I have been speaking for 20 minutes now.

**Mr. Chairman:** I was just pointing out that there is a time restriction and I think one of them is one of your colleagues.

**Hon. Mr. Timbrell:** Can I conclude on the nuclear matter? The operation of any nuclear unit is constantly and regularly surveyed and supervised by the Atomic Energy Control people. We do adhere to every one of their standards; in fact we beat most of their standards.

**Mr. Sargent:** That's acknowledged.

**Hon. Mr. Timbrell:** The efficiency of the units which we are operating is practically unequalled in the world. In fact, in 1974 the efficiency of Pickering was unequalled by any other similar-sized unit anywhere in the world.

**Mr. Sargent:** You have made two \$1 million mistakes at Douglas Point already. That's a fact.

**Hon. Mr. Timbrell:** I wish you would stay on one subject. You keep popping all over the place. You mentioned Douglas Point. Because of the time constraint, there's probably not enough time. Maybe you'd be good enough to put in a note to me exactly what it is you're talking about that's happening at Douglas Point.

**Mr. Sargent:** Who would explain it to you?

**Hon. Mr. Timbrell:** I'm hoping you would. You claim to know.

**Mr. Sargent:** You should know about Douglas Point.



**Hon. Mr. Timbrell:** You're telling me there's something going on at Douglas Point you're not happy with.

**Mr. Sargent:** No, ongoing over the years. I asked you a question about Mr. Macaulay—does he come under this vote? Is he receiving salaries from this ministry?

**Hon. Mr. Timbrell:** He does not receive a salary from the Ministry of Energy.

**Mr. Sargent:** Who pays him?

**Hon. Mr. Timbrell:** Depending on whether he represents the Ministry of Energy in various rate cases, he would be paid through the ministry.

**Mr. Roy:** What you are saying is that it is not salary as such; it's some form of remuneration. I think that's what he wants.

**Hon. Mr. Timbrell:** Fees.

**Mr. Roy:** Fees. Yes, that is what he wanted to know.

**Mr. Sargent:** Who pays him?

**Hon. Mr. Timbrell:** The ministry.

**Mr. Sargent:** Your ministry?

**Hon. Mr. Timbrell:** Yes.

**Mr. Sargent:** How much?

**Hon. Mr. Timbrell:** The total in 1974-1975 was what? It was \$129,000 to three firms which, in one way or another, Mr. Macaulay was associated with. That money did not all go to Mr. Macaulay; there were a number of others involved in those firms.

One point I wanted to make in the House when you asked the question—I didn't have the details—was to give you an example of why we try to find the best possible counsel to represent Ontario in regulatory proceedings, whether it's at our own Energy Board or at the National Energy Board or at a body like the Alberta Energy Resources Conservation Board.

This is a brief résumé of just one particular case. There were many more than this and this was an application filed by Trans-Canada PipeLines. I'll just read this summary: [10:00]

They [TransCanada PipeLines] made a double-barrelled proposal in part one of phase two of its rate application before the National Energy Board. It proposed, first, that its depreciation and amortization rates be increased to recognize the present estimated economic life of its facilities,

based on its present contracted gas supply and with some weight being given to prospects of future—

**Mr. Sargent:** I will take that as read. How much an hour does he get?

**Hon. Mr. Timbrell:** I'll continue:

And secondly that it be allowed to change from the flow-through to the normalized method of calculating its allowance for income taxes. The result of these proposals would have been to include in the cost of service and hence in the increased rates an additional amount of \$122 million per year. Concerned that natural gas be supplied at the lowest possible price consistent with continued security of supply, the Ontario Ministry of Energy intervened [and Mr. Macaulay was the counsel] to strongly oppose both of these proposals. Largely as a consequence of our opposition, the National Energy Board allowed the rates to increase only \$9 million per year, representing an annual saving of \$113 million which will primarily be realized by Ontario consumers.

In all of these cases that we become involved in, one of two things is at stake—either price or supply—and we try to find the best possible people to represent Ontario before these tribunals to protect the position of the Ontario consumers. There is just one case alone where our intervention—we were the main opponent, the strongest opponent, of the Trans-Canada PipeLines application—saved the consumers of the country and primarily Ontario \$113 million.

**Mr. Sargent:** How much money an hour does he get? Seventy-five dollars an hour, I understand.

**Hon. Mr. Timbrell:** Seventy-five dollars an hour.

**Mr. Sargent:** Is this an ongoing contract?

**Hon. Mr. Timbrell:** As we need him.

**Mr. Sargent:** According to the figures I got from Mr. Dillon, the three firms which he heads took in \$149,000 as of last week?

**Hon. Mr. Timbrell:** No. If you'll check Hansard, you said \$139,000. I added the list up for you again and it came to \$129,000. Now you have gone back up to \$149,000. The three firms with which he had—

**Mr. Sargent:** I guess I got the wrong figures from Mr. Dillon then.

**Hon. Mr. Timbrell:** It was \$129,000. I emphasize again, that was not just Mr. Macaulay's—

**Mr. Sargent:** That is just this year to date. He has made \$129,000.

**Hon. Mr. Timbrell:** No, no, as I said, that is in fiscal 1974-1975.

**Mr. Sargent:** You think that is a fair salary? He should be getting about \$75? You think that is a good wage for the man, do you?

**Hon. Mr. Timbrell:** I know that counsel on Bay St., and including some of your colleagues, are charging \$200 and \$250 an hour.

**Mr. Sargent:** An hour? Is this true, Albert?

**Mr. Roy:** Certainly not this counsel.

**Hon. Mr. Timbrell:** Do they let you on Bay St.?

**Mr. Reed:** I am worth it, Albert.

**Mr. Roy:** Not \$250 an hour.

**Mr. Sargent:** All I can say in closing—

**Hon. Mr. Timbrell:** Listen, I must say that when I first went into this ministry, and in my previous responsibilities, if we had any legal problems we phoned up the Attorney General's office. This is my first experience of this and I did some investigation and found that, in fact, compared to people such as Mr. Macaulay and people in his category who were working for us, and others like them, they are charging two or three times as much to the private sector on Bay St. as they are charging the government.

**Mr. Williams:** Mr. Chairman, I would like to ask the minister if he will permit me to go back to a rather important consideration that I think the chairman of the Ontario Energy Board perhaps has the answer to, and perhaps with his permission the chairman could deal with these matters. The point that I want to return to is one that was dealt with at considerable length—I think for the better part of half an hour or maybe even in excess of that—by the member for Carleton East (Mrs. Gigantes), dealing with what essentially was her concern about the terms of reference under which the Energy Board dealt with the system expansion programme of Ontario Hydro in its hearings of 1973-1974.

Just so that you will have the circumstances under which Mrs. Gigantes is pursuing this matter, I think she is endeavouring

to convince the newly established select committee investigating Hydro rates that we must expand our terms of reference to have that select committee also investigate the systems expansion programme. The premise on which she is pursuing this point, and why I presume she wants to establish it on the record, is her justification in her mind that the assessment of the systems expansion programme by the Energy Board was too restricted and too technical and did not deal with what she calls the socio-economic considerations or, to put it in more common vernacular, the political people-orientated atmosphere.

I think this is a point that Mrs. Gigantes has been stressing heavily over the past few days before the committee, and I think it is an important consideration. In fact the suggestion she is putting is correct—that the board's investigation of the systems expansion programme was too restrictive and strictly technical and didn't deal with socio-economic programmes—then there might be some justification for another special purpose body such as the select committee to go through the whole process again but with different terms of reference that are broader and more people-orientated than what has been attributed to the Ontario Energy Board's review.

**Mrs. Gigantes:** I never use a phrase like "people-oriented" or "orientated" or whatever it is.

**Mr. Roy:** No, but her party does.

**Mr. Williams:** Did I misstate a word? Was it "orientated", did you say?

**Mrs. Gigantes:** I never use a phrase like that. I hate to be quoted in phraseology such as that.

**Mr. Williams:** I think that was the substance of what you were getting at, Mrs. Gigantes. What I'd like to know, perhaps through the chairman of the Energy Board, is whether those observations have any validity or whether the board's investigations extended beyond the technical into the socio-economic considerations.

**Hon. Mr. Timbrell:** Do you want to comment on that, Mr. Jackson?

**Mr. Jackson:** I don't think there is any question that the board's terms of reference for reviewing the system expansion programme were limited. They were limited in time. They took the programme up to the year



1982 or 1983. They were limited in other ways that you have mentioned, that they didn't take into account the socio-economic aspects or the environmental aspects of the programme, the board itself was conscious of these limitations and referred to them in its report and certainly expressed the opinion, if not a definite recommendation, that there ought to be a longer-range review and a less restricted review.

I believe the government had indicated that it intended to do that before our report was filed, and my understanding is that that is essentially what is happening. The Porter commission is now reviewing the expansion programme over a much longer period of time, up until 1982, and is not restricted. It is looking at the environmental and the other broader aspects of the programme.

**Mr. Williams:** Who is presently doing this?

**Mr. Jackson:** The Porter royal commission on power system expansion, I think.

**Hon. Mr. Timbrell:** Electric power planning.

**Mr. Williams:** My understanding was that their terms of reference are related to the period of time, 1982 to 1992.

**Mr. Jackson:** Yes, I think that is right. They are not reviewing what we reviewed. They are going beyond that, but that is where our problem lay as we saw it. We were picking up a programme which really belongs to a much longer programme and is very difficult to consider properly as a thing by itself. That programme, however, is pretty well settled. There is not very much that can be done about the programme to 1982 because of lead times for generation and transmission projects. I think that that is right, that the Porter commission is taking the period of 1982 to 1992.

**Hon. Mr. Timbrell:** I should add there that what can be done, and what has been done, is to stretch out these projects; to delay some on which work has not yet begun or to slow down work in order to control the spending.

**Mr. Williams:** I'm sorry. Could you repeat that?

**Hon. Mr. Timbrell:** On this business of the programme up to 1982: what can be done and what was done in July, and probably will be done even more, is to stretch out the programme up to 1982; that is to delay projects, or who knows, perhaps even cancel

projects, to cut down on the capital spending over the period.

**Mr. Williams:** Both you and Mr. Jackson have suggested this evening that the amount of lead time built into the five-year programme makes any variation in the existing five-year programme virtually unalterable. What are the lead-time considerations or factors?

**Hon. Mr. Timbrell:** Some of the projects—for instance, there are three or four under way that are virtually completed. Bruce A is three-quarters completed. Lennox is 90 per cent completed. There is money in next year, as I recall, for Nanticoke; that is virtually completed. Pickering B is under way; that could probably be slowed down, whereas the others are so close to completion that it would be irresponsible to stop them now.

When you're talking about a nuclear generation plant, from the point at which you decide you need a plant and start to begin the public participation procedure on site location and on design and environmental impact, taking it all the way down the road to the point at which you start to get power from a plant is about 14 or 15 years. So there are considerable lead times involved with something of that order. It would be shorter if you were talking about a fossil-fired plant.

**Mr. Williams:** Regarding the five-year programme that takes us to 1982, subject to the slowdown that was imposed by the Treasurer as a cost-saving feature—

**Hon. Mr. Timbrell:** The slowdown was self-imposed. That was the way Hydro went about meeting the objectives set out by the Treasurer.

**Mr. Williams:** But subject to that, the five-year programme, if it proceeds without any interruption because of political decision, in fact will be completed by 1982. Is that not correct?

**Hon. Mr. Timbrell:** No, there will be projects that will go beyond that into the mid-1980s. Projects begun in that programme, as elements of that programme, will not be completed until the mid-1980s.

**Mr. Williams:** In other words, this five-year programme provides for completion of some projects that came on stream perhaps before the five-year period and allows for bringing on stream programmes that won't be completed until after the five-year period?



**Hon. Mr. Timbrell:** That is essentially correct.

**Mr. Williams:** Then would there not be some justification for suggesting that the system expansion programme, through this five-year period to 1982, would warrant a re-assessment on different considerations other than strictly technical considerations, as has been suggested?

**Hon. Mr. Timbrell:** First of all, the chairman of the board touched on the question of environmental concerns. That is covered by such bodies as the Environmental Hearing Board and bodies that are appointed from time to time, such as the Solandt commission. The review which I mentioned earlier, between Treasury, Energy and Hydro, is going over it in terms of capital availability, the level of system reliability, and therefore if you will the socio-economic impact, that being the quantity of electrical energy which will be available over the period we're talking about to meet demand in the province. All of this is part of the process we're going through between Treasury, Energy and Hydro.

**Mr. Williams:** Do I understand that statement to suggest that for this committee to ask to expand its terms of reference to consider the socio-economic ramifications of the system expansion programme would be a duplication of what your ministry is already about?

**Hon. Mr. Timbrell:** I recognize the committee, within the terms of the motion set down in the House, can get into a number of areas which I think could very well work out to be a duplication of effort. The committee will have to consider what it is we're doing and make its determinations, but it could turn out to be duplication.

**Mr. Williams:** I appreciate that I think perhaps this aspect of the transcript might well be referred back to the committee, because I think it is important for the committee to understand whether this would be a new avenue of approach which warrants expansion of its terms of reference, or whether it is a procedure which is bringing about duplication of effort. I don't think the committee wants to embark upon a venture if it's already being covered.

On the other hand, if an important gap exists which warrants pursuit and investigation, there may be some justification for expanding the terms of reference of the committee. This is why I have pursued the mat-

ter to this extent. I think this is what my colleague was endeavouring to get at this evening, and if not certainly I wanted to bring it to that point.

**Hon. Mr. Timbrell:** As you know, it should be said that the purpose of the committee was to review the 1976 rates and to report back to the Legislature and, through the government, to Hydro on those rates.

**Mr. Chairman:** Mr. Roy.

**Mr. Roy:** I have a question, Mr. Chairman, and in view of the constraint on time, I will try to be as brief as possible on this. Having in mind that the Ontario Energy Board has jurisdiction to fix rates for the sale, transmission, distribution and storage of natural gas and has jurisdiction as well in the area of electric power rates, I can't quite understand why the government, as a matter of policy, does not ask the Ontario Energy Board to look at the rates involving the sale of oil in this province, as we have suggested for a period of time.

**Hon. Mr. Timbrell:** We covered that earlier Mr. Roy, several times.

**Mr. Roy:** You have covered it several times? Possibly you could—you know we have to be in various places at the same time, but I suppose your answer is that we discussed it in the House when you mentioned that the Isbister commission is looking at these rates.

Possibly I could make a statement that the approach you've taken in relation to oil and gas prices—I'm talking about gas sold at the pump for a motor vehicle—is a stop-gap and is a much more disruptive measure. For instance, during the election you froze it—cr just prior to the election you froze the rates and then during the election you extended the freeze for a period of an extra 45 days. Now you've got a commission looking into it. I was asking why the reluctance on the part of the government.

It would have been much more effective, in my opinion, from the outset a year or so ago, when the Premier was saying, "We don't have jurisdiction; there is nothing we can do about this," to have referred this matter to the Ontario Energy Board, seeing that it's in their natural line of duty. They're looking at natural gas; they're looking at electric power rates; why wouldn't they look at the question of oil and gas being sold for our motor vehicles and for our homes?

**Hon. Mr. Timbrell:** As I indicated earlier when we were discussing energy policy—

which is where this actually falls, not the Ontario Energy Board—the government has appointed the commission to advise mainly because I don't think the merits of what you're talking about are immediately self-evident.

**Mr. Roy:** Maybe not to you.

**Hon. Mr. Timbrell:** I mentioned earlier that there is a situation in Nova Scotia where the average prices are higher than they are in Ontario. There is virtually no independent element to the retail gas business. I guess I have taken the position of being from Missouri, I want to be convinced. I hope I have indicated that if the commissioner finds that there is a case to be made for this kind of regulation I am prepared to act on it.

You have talked about natural gas and Hydro. As I said earlier, with natural gas you are talking about monopolies. In any given part of the province, if you want natural gas you can only buy it from one distributor. There is likewise only one Ontario Hydro.

But there is a plethora of oil companies, seven major integrated companies plus a number of independents. In the province a very large part of retail gasoline sales are through the independent sector. I think it is about 20 per cent, if I recall, which is about the highest of any part of the country. This does have an effect on controlling prices and creating greater competition.

I have never, throughout this process, rejected what you are saying. What I am saying is that I remain to be convinced. If the case can be made to the commissioner and the commissioner can show that it would have some beneficial effect for the Ontario consumers, then obviously we would have to consider it.

**Mr. Roy:** I don't want to take up too much time but I do want to make these comments about the minister's statement. When you talk about monopolies, this is ironic. As I recall it, the oil companies were not prepared to open their books so that we could look at how they arrived at their prices because they were afraid of being charged under the Combines Investigation Act. I suggest to you there is some evidence there from their actions. When you say "not monopolies" it's questionable, even from their own actions, whether we are not dealing with that sort of situation.

**Hon. Mr. Timbrell:** If that is the case, then of course from time to time the federal government seizes the books and looks at the books of the company—

**Mr. Roy:** Mr. Chairman, the minister is interrupting me here.

**Hon. Mr. Timbrell:** —and if that is the case some charges should be laid by the government.

**Mr. Roy:** But they wouldn't open their books. You can't very well lay charges on speculation; you need evidence.

**Hon. Mr. Timbrell:** The combines investigation branch has the power to seize the books.

**Mr. Roy:** The point I am making is that you should come out with that argument when the oil companies are afraid of opening their books and say they are afraid of being charged under the Act.

**Hon. Mr. Timbrell:** To answer that point, if I might—

**Mr. Roy:** No, let me finish.

**Hon. Mr. Timbrell:** —if you had been here earlier you would have heard that the indication we have had from the royal commissioner is that there would be no need to have in camera hearings at the second phase of his commission.

**Mr. Roy:** The other point I want to make, having made the point on monopolies, is that when you say you remain to be convinced, it was only a year or a year and a half ago, when the Premier kept saying in the House that he had no power and there was nothing that he could do about oil coming from the exterior into this province. What convinced him and convinced you and makes you move is the question of an election or impending defeat or whatever. Then you moved, then you talked about the freeze, then you talked about extending the freeze during the election period and then you talked about establishing a commission.

If you had no jurisdiction, why do you bother establishing a commission? I am suggesting to you that it would have been much less disruptive and much more logical for a stable economy to have the rates regularly reviewed by the Ontario Energy Board than what you did over the last year.

**Hon. Mr. Timbrell:** At this point, I would say that what you are saying is true for the oil companies but not necessarily for the consumers.

**Mr. Reed:** Mr. Chairman, I just want to speak to vote 1804 really; so I am hoping you are going to get to a vote here on 1803.



**Mr. G. I. Miller:** I have a couple of questions in this connection. How many companies are distributing gas in Ontario?

**Hon. Mr. Timbrell:** Three majors and 10 or 12 smaller ones.

**Mr. MacOdrum:** The three major distributors in Ontario are Consumers' Gas Co., serving Toronto, the Niagara Peninsula, the city of Ottawa under the name of Ottawa Gas, and also the city of Hull through Société de Gaz Naturel de Hull; Northern and Central Gas Corp., serving northern Ontario—with the exception of the city of Fort Frances, which is served by Inter-City Gas Utilities Ltd.; Union Gas Co. of Canada Ltd., which serves southwestern Ontario.

Kingston Public Utilities Commission buys gas directly from TransCanada PipeLines Ltd., and distributes it within the municipal boundaries of the city of Kingston.

Kitchener Public Utilities Commission buys gas from Union Gas—another distributor—and sells gas within the city of Kitchener.

There are a number of very small gas distributors, Madina Gas is one firm that has some Ontario production and purchases from Union Gas. There is a small distribution company called Farmers Gas Ltd. in southwestern Ontario. It originally had its own production, but now purchases gas from Union Gas because its own production deliverability has dropped off. There are also a number of very small gas syndicates. These are small gas producers—rural land owners—who basically sell gas to their neighbours along the line, for tobacco curing and that type of thing.

**Mr. G. I. Miller:** A second question—do they control the franchises in the various areas?

**Hon. Mr. Timbrell:** Yes, the franchises are granted.

**Mr. MacOdrum:** By the various municipalities. I think Mr. Jackson perhaps could elaborate on it.

**Mr. Jackson:** The distributors mentioned supply municipalities. The other distributors have municipal franchises authorizing their operations within the municipality.

**Mr. G. I. Miller:** If they have the franchise do they have to service the area? Are they obligated to service an area?

**Mr. Jackson:** To some extent that depends on the terms of the franchise. I think normally the answer is no; they are obligated to serve

where it is economically appropriate to serve—as they are required to do under the Public Utilities Act.

**Mr. G. I. Miller:** If they don't want to, can someone else service an area—or how do they approach service to an area if another distributor or producer wants to service an area?

**Mr. Jackson:** That is a very awkward thing, because gas distribution is really a natural monopoly. It can be operated more inexpensively with one operator rather than two. The municipal franchises are not exclusive franchises as a rule.

If a company wants to operate in a particular municipality, it gets a non-exclusive franchise from a municipality and applies to the board for a certificate of public convenience and necessity.

If a municipality is dissatisfied with a franchised operator, who isn't providing service in portions of the municipality, the municipality can negotiate with some other operator to undertake to supply gas in the municipality, or in the part of the municipality that is not being served. In that case, the operator would then have to apply to the board for a certificate of public convenience and necessity, which might be given for a portion of the municipality if the already franchised operator was not serving that portion.

**Mr. Chairman:** It is now 10:30.

**Mr. G. I. Miller:** One further question: Who controls the pressure on the pipeline? Is there any control or any assistance for putting the gas in?

**Mr. MacOdrum:** Do you mean physically?

**Hon. Mr. Timbrell:** Did you say price or pressure?

**Mr. G. I. Miller:** The pressure.

**Mr. MacOdrum:** At various intervals along the interprovincial pipelines in Ontario there are gas compressors. In the northern part of the province there are gas turbines—modified jet engines—which increase the outlet pressure of the compressor station and push the gas along the pipeline system.

There are similar compressor stations along the Union Gas line between the storage fields in Dawn and the major market areas, such as in the Oakville and Toronto regions. The gas is tapped off both for consumption in Toronto and easterly, and in the Niagara Peninsula in the south. There are compressor



stations located there, and they are fueled by gas that they take from the pipeline. On the TransCanada system east of Toronto, electricity is the power used to run the compressor stations.

[10:30]

**Mr. G. I. Miller:** Does the distributor have to contribute toward getting it into the lines or not? Is that up to the producer, to put it into the line?

**Mr. MacOdrum:** Depending on the terms of the contract with the producer, the terms of field pressure is a negotiated item.

**Mr. Chairman:** Shall vote 1803 carry?

Vote 1803 agreed to.

**Mr. Chairman:** It was the agreement of the committee that the estimates be completed at 10:30 p.m. Mr. Reed gave up his turn, saying he had a question on vote 1804. Would I have the permission of the committee to call vote 1804 and allow Mr. Reed to ask his question?

**Mr. Roy:** Granted.

**Mr. Reed:** Does anybody object to it?

**Mr. Chairman:** If not, I'll call vote 1804.

On vote 1804:

**Mr. Williams:** I had some questions on that one too, Mr. Chairman.

**Mr. Chairman:** I am sorry then, under the circumstances I will leave it in the hands of the committee what they wish to do. The committee decided at an earlier point in time that they would complete the estimates of the Ministry of Energy at 10:30 p.m. to-night.

**Mr. Williams:** I will defer to Mr. Reed. Let him ask the question. I will ask the minister after.

**Mr. Chairman:** Fine, thank you. Mr. Reed.

**Mr. Roy:** Very sensible.

**Mr. Reed:** Mr. Minister, I am very interested in this new Ontario Energy Corp., and I see by the programme description its designated job is to enhance the availability of energy by stimulating resources, exploration and development. I am quite interested in that word "development." I don't want to flog an old horse here, because I had a turn at this, but does the Ontario Energy Corp. mandate include the development of renewable resources?

**Hon. Mr. Timbrell:** On the broad sense, yes.

**Mr. Reed:** There is a commitment, I see, of \$226,000 toward the Ontario Energy Corp., so I wonder if you would be kind enough to inform this committee just where that \$226,000 is going?

**Hon. Mr. Timbrell:** One thousand dollars of that is a nominal capital allocation, and the remaining—

**Mr. Reed:** I have the standard accounts classification, Mr. Minister. I am really interested in—

**Hon. Mr. Timbrell:** It is for the operation of the Energy Corp. basically.

**Mr. Reed:** I am really basically interested in whether this is going to be the medium for a thrust into the development of new resources for this province.

**Hon. Mr. Timbrell:** It can be, it can be. As I have indicated earlier, the corporation is committed to the extent that we think it can be within the money available to it, the \$100 million initial appropriation. As for the \$226,000 there is \$1,000 in there for, this says, "disbursements"; that's a nominal contribution over and above the \$100 million which was the initial funding.

The corporation is, as you know, involved in two projects, namely Syncrude and Polar Gas. Depending on future budgetary allocations and given the constraints on government spending, it seems highly unlikely that it will be getting much more in the immediately foreseeable future; but depending on budgetary allocations we could involve ourselves in other projects, yes.

**Mr. Reed:** I would just like to go on record—

**Hon. Mr. Timbrell:** Excuse me, some of the projects that you are interested in don't necessarily have to involve the Energy Corp.

**Mr. Reed:** They don't?

**Hon. Mr. Timbrell:** No. I brought along a copy of the letter I sent you, and that is what I am looking for because there was a point in there—

**Mr. Reed:** This is what I don't have yet, I guess.

**Hon. Mr. Timbrell:** It had to do—pardon?

**Mr. Reed:** Oh, you mean the letter you sent me last spring?

**Hon. Mr. Timbrell:** Yes, I dug it out. I don't know what I have done with it. Anyway, it is around here somewhere.

**Mr. Reed:** I could have brought my copy.

**Hon. Mr. Timbrell:** Just to clarify that, the point was made in there that if you had, as part of the title to your property, access to the water lot, there would be nothing to stop you from developing a dam.

**Mr. Reed:** At that point, I made the statement that there was a tremendous potential in southern Ontario for the private development of small water powers. You did point out what I already knew, that I personally held an occupied water privilege on my own property, which is a legal thing based in history. But there are many hundreds of small water powers throughout Ontario that have never been used as power sites and do not have this historical occupied water privilege.

I was trying to point out to you that there was a tremendous potential here and that the Ministry of Natural Resources, on the other hand, had been doing everything in its power, up until the present time, to discourage the development of these small water powers. I asked you if you would be kind enough to make contact with the Ministry of Agriculture and Food, I believe, and with the Ministry of Natural Resources, because I saw the potential for the heating of greenhouses by the private development of these powers.

**Hon. Mr. Timbrell:** If you will check Hansard, you will find that I indicated that if we have a specific proposal then we would effect the interchange between the proposition and the people involved.

There is the other aspect, of course—and I haven't got a copy of your letter to me but I have got a copy of my reply—that one of the things Natural Resources was concerned about is the fact that we are talking about the Credit River here and I think they were concerned about some conflict with their plans for stocking the river with salmon, an aspect which I had forgotten.

**Mr. Reed:** I am well aware of that specific problem.

Regarding the Ontario Energy Corp., to get back in the subject area we are concerned with, I would just like to make the statement that I wonder where the priorities are when we have admitted, and it has been shown to us, that within 10 years we will be approaching something of a crisis situation

in terms of the traditional forms of non-renewable energy, yet we have got this Ontario Energy Corp., which is supposed to look after resources development, and we are putting \$100 million into a traditional form of energy—

**Hon. Mr. Timbrell:** Let's put it in some perspective, shall we? The Bank of Montreal—I guess it was in one of their newsletters; I forget just now—recently did a piece on the next decade in energy, and they estimated that in the next decade in this country we will have to spend something in the order of \$100 billion on energy projects. We are not going to come up with \$100 billion. We are trying to do our part. The initial funding of \$100 million is no small amount of money but because we are committed to the Syncrude and Polar Gas projects, we think we have committed the corporation to the fullest extent which is practical, given the extent of those commitments and the capital available in the corporation. As I have indicated, if further funds are made available by the treasury as further investments in the corporation, then we can involve ourselves, through the Energy Corp., in other projects in the province and in the country.

**Mr. Reed:** Is the next priority going to be in renewable resource development in terms of additional available funding? I realize things are tight. I know that, and I know you have commitments. What I am saying is, will this Energy Corp., as additional funding becomes available, go into renewable resources on a priority basis?

**Hon. Mr. Timbrell:** There is nothing to preclude the corporation—depending on whether it is possible for Hydro or other ministries of the government to involve themselves, if it is a project which should go ahead and there is no one else to do it and the corporation, at a given point in time is in a position to consider it, the corporation will consider involvement in the kinds of projects you are referring to as well as the kind we are in now.

**Mrs. Bryden:** Mr. Chairman, before you put the vote, I would like to say that I and my colleagues did want to ask some questions about the Ontario Energy Corp. and the Syncrude arrangements but in view of the need to allow time for other ministries, we are prepared to go along with the cutoff tonight. We hope we will find time in the House or in the Throne debate to raise some of the points we wanted to raise tonight. It

looks like the Ontario Energy Corp. is an NDP idea taken over by the Conservatives but we are not sure that they are making full use of it.

**Hon. Mr. Timbrell:** It may be much better.

Vote 1804 agreed to.

**Mr. Chairman:** That completes the estimates of the Ministry of Energy. I would advise the committee that we will sit on Thursday after the question period and I expect to commence the Ministry of Housing.

The committee adjourned at 10:42 p.m.



## CONTENTS

---

Tuesday, November 18, 1975

Energy policy programme, concluded .....	S-443
Energy board programme .....	S-446
Ontario Energy Corp. ....	S-471
Adjournment .....	S-473

## SPEAKERS IN THIS ISSUE

---

Burr, F. A. (Windsor-Riverside NDP)  
 Bryden, M. (Beaches-Woodbine NDP)  
 Davidson, M. (Cambridge NDP)  
 Gigantes, E. (Carleton East NDP)  
 McCague, G. (Dufferin-Simcoe PC)  
 Miller, G. I. (Haldimand-Norfolk L)  
 Reed, J. (Halton-Burlington L)  
 Roy, A. J. (Ottawa East L)  
 Ruston, R. F. (Essex North L)  
 Sargent, E. (Grey-Bruce L)  
 Spence, J. P. (Kent-Elgin L)  
 Timbrell, Hon. D. R. Energy (Don Mills PC)  
 Wildman, B. (Algoma NDP)  
 Williams, J. (Orillia PC)

### Ministry officials taking part

Clendinning, R., Senior Adviser, Oil and Gas  
 Dillon, R. M., Deputy Minister  
 Higgin, Dr. R., Adviser, Solar and Wind Power  
 Jackson, A. B., Chairman, Ontario Energy Board  
 MacOdrum, I. B., Senior Adviser, Natural Gas  
 Matthews, J., Director, Fuel Resources Division, Ontario Hydro









# Legislature of Ontario Debates

**SUPPLY COMMITTEE**

**ESTIMATES, MINISTRY OF HOUSING**

**OFFICIAL REPORT — DAILY EDITION**

**First Session of the Thirtieth Legislature**

**Thursday, November 20, 1975**

**Afternoon Session**

**Speaker: Honourable Russell Daniel Rowe**

**Clerk: Roderick Lewis, QC**

**THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975**

## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MGS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.

## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

---

THURSDAY, NOVEMBER 20, 1975

The committee met at 5:05 p.m.

#### ESTIMATES, MINISTRY OF HOUSING

**Mr. Chairman:** I will call the committee to order.

On a number of occasions when we've met we've been very close to a quorum, which we are at the present time. I think we are a little behind schedule and because the minister will be starting with opening remarks—if it is all right with the committee, we will begin.

**Mr. Cassidy:** I have some questions, Mr. Chairman. We are going to be in a rather funny situation, because this committee effectively may meet for less than an hour today. We've come to this stage and there is only one government member here on the committee. I don't know whether we should even start right now. I suggest that we simply do not sit; we tell the people among the powers that be, upstairs, that this wasn't a day, and work it out. I don't know what the minister thinks about that. I am a bit uneasy because we are not exactly over-populated on these benches either.

**Mr. Chairman:** As there is an objection from a member of the committee, I believe we could wait another five minutes. If we don't get a quorum, then, of course, we'll have to adjourn.

**Mr. Cassidy:** Okay. Perhaps the clerk could send up a page or go up and—

**Clerk of the Committee:** I am sorry, but who will be missing? All the parties? We will send one to all of the caucuses?

**Mr. Chairman:** The only other one is Mrs. Campbell.

**Mr. Sweeney:** She is on another committee.

**Mr. Cassidy:** Mr. Chairman, what is the quorum?

**Mr. Chairman:** Six plus the chairman. So we are one short.  
[5:11]

**Mr. Chairman:** I will call the committee to order. We now have a quorum.

I would like to remind members of the committee that the procedure during the estimates of the Ministry of Housing will be the same as for all other estimates. We will ask the minister for an opening statement after which Mr. Cassidy and then Mr. Hall will reply for the NDP and the Liberals. Then, Mr. Minister, you may reply to their comments as you wish and then we will get into the estimates vote by vote. So, Mr. Minister, I will ask you to commence and, if you would, introduce some of the people on your staff as well.

**Hon. Mr. Rhodes:** Mr. Chairman, my opening remarks will be very brief. They will not be as lengthy as sometimes they can be at the beginning of estimates. Let me say that in my role as minister responsible for housing, I share the distinction with some of you here. I am new to the job, just as some of you are new to this Legislature. While it may mean that some of us do not have a great deal of background on this difficult subject, it also means that we will be bringing to it, I hope, those fresh insights that new minds so often can contribute.

I look forward to discussing the work of my ministry with you and have taken this opportunity to get to know some of you more personally than you can in the confines of the House itself.

Dealing with estimates in committee will also allow me to introduce to you some members of my senior staff who will be here with me for these discussions. The chief among them will be my deputy minister sitting to my left, Donald Crosbie. Don took over this position on July 1, so among some of us he is considered a veteran. With him are Bob Riggs, an assistant deputy minister of housing development, who is sitting in the midst of the three, and Mr. W. Wronski, assistant deputy minister, community plan-



ning. Also on hand to provide assistance through the estimates will be Mr. Barry Rose, general manager of Ontario Housing Corp.; Mr. Bob McDonald, general manager of the Ontario Mortgage Association, who is sitting at the back of the room; Mr. Mel Farrow, executive director of the plans administration division, who I think I see here; Mr. Peter Martin, executive co-ordinator of the Housing Action Programme, who is sitting out; Mr. Larry Forster, director of the North Pickering Project; Mr. John Burkus, executive co-ordinator, policy and programme development secretariat, who is up at the front; Mr. Scott Campbell, planning and evaluation co-ordinator, and Mr. Dick Snell, director of communications.

These gentlemen will be with me during the course of these discussions and I will, from time to time, out of necessity for both of us, be referring some of the more detailed programme matters that you raise to them.

Before moving to the first vote, 801, I would point out that in the current estimates before you, this ministry is seeking nearly \$484 million which compares with just over \$326 million in the last fiscal year. This is an increase of some \$158 million in the printed estimates or an increase of nearly 50 per cent. Nearly \$30 million of this increase is earmarked for housing action programme incentive and study grants and loans for regional and municipal public works to accelerate the production of housing and serviced lots.

About one-third of the requested increase, \$55 million, is for the Ontario home buyers grants fund which is administered by the Ministry of Revenue, the fund that provides a \$1,500 grant to first-time buyers of new and existing housing.

In the social housing field, which comes under vote 804, covering Ontario Housing Corp., the provincial share of subsidized rents this fiscal year is increased by nearly \$15.5 million, reflecting a growth in the number of subsidized units. Nearly half of the increase, some \$75 million, is for additional mortgage financing through a new organization, Ontario Mortgage Corp., which took over and expanded the lending role previously played by Ontario Housing Corp. Ltd.

The provincial Treasurer (Mr. McKeough) has mentioned in the Legislature that various ministries have cut direct operating costs as part of our anti-inflation efforts. The cut in this budget approaches \$2 million. With that introduction, Mr. Chairman, perhaps we

could proceed into the ministry estimates after, of course, the opening remarks from Mr. Cassidy and from Mr. Hall.

I just want to say—and this is perhaps as a personal point of view from me—I am beginning to like this room. It just suddenly dawned on me that this is the third set of estimates that I have sat through as a minister in one year. So be gentle, if you could. [5:15]

Mr. Cassidy: Mr. Chairman, it is much easier to be gentle with this minister than with the previous incumbent in the Ministry of Housing. We greeted the change with pleasure because anything would have been better than what we have had over the past year or so. The minister approaches the job with a certain geniality which his predecessor was lacking, without quite the same blind adherence to the free enterprise system and blind belief that it was working, plus the fact that not having a record to stand on, he perhaps is more immune to criticism than was Mr. Irvine.

Major changes are taking place in the housing market in Ontario and I want to talk a bit about them during the course of the leadoff before we get into the details. A number of the philosophical points which we may want to discuss will come up later. I would try not to beat into the ground the question of the government's failure in the housing field, which we believe are pretty self-evident.

I think that some of the discussion during these estimates should be not to lament over the past—which is lamentable—but to try to chart some new directions for the future. One of the things that I see in these estimates is the opportunity to have not just the ear of the minister, but also the ear of people like Mr. Rose and Mr. Riggs and Mr. Crosbie and other people in the ministry who inevitably will be recommending those future policies. In some slight way they may be influenced by some of the better ideas that are proposed by Her Majesty's Loyal Opposition.

In two years—and it is a very short period of time—under pressure from the people of Ontario and also under political pressure from the NDP, the government of Ontario has for the first time accepted its responsibility to conduct a social housing policy. We got there maybe 20 or 25 years after most of the industrialized countries of Europe. We got there around the same time as other provincial governments in Canada. This field

had not—perhaps apart from Saskatchewan—been seen as the business of the provincial government—that is, to be responsible for ensuring that every citizen had access to decent housing at a price he could afford.

That commitment has been made by the government now in the wake of the Comay report. Whether or not the report's recommendations are being fulfilled is another matter, but nevertheless we accept that the government has now accepted the basic credo of a social housing policy. This is, that the government cannot afford to stand aloof and leave housing in the free market, but must play a major role in order to ensure that the citizens get decent housing. The budget figure—\$500 million or so, compared with \$326 million—also reflects increasing priority is being given to housing within the context of government spending, even if we may disagree about the effectiveness of some spending.

All of those nice things having been said, the current housing situation in Ontario is still dismal, and the government bears a great deal of the blame. Housing starts totalled 110,000 in 1973, which proved that the industry has the capacity to produce for the kind of needs that are projected for housing. Starts were down by about 25 per cent to 85,500 in 1974, and we now project them at about 72,250 for 1975. The minister may have some slight difference in projections, but I don't think he will really disagree with the figures that I have just given him. That means that housing starts, which fell drastically in 1974, are going to fall again in 1975 and will come about 21 per cent lower than they were in 1971 when William Davis and the Big Blue Machine took office.

More recently there has been some improvement in the housing picture across Canada and this trend has been reflected to a certain extent in Ontario. Urban housing starts were 9,140 in October, up from 5,000 or so in 1974, but the increase in Ontario was less of a percentage increase than the increase in the rest of Canada. In the period from January to October, Ontario's urban housing starts were down by 14 per cent, compared with a drop of only 3.6 per cent for the rest of Canada. This suggests that even if there was a recovery taking place, we are not doing as well as the rest of Canada—which effectively means Quebec and the socialists and blue-eyed Arabs in the west.

The softness in the market reflects badly on Ontario and on the government's much-publicized efforts to turn the housing situation around. It also compares badly with the

government's targets. The Comay task force said that a million homes were needed over 10 years, or 100,000 homes a year. The government has accepted that goal but has fallen steadily further behind ever since it accepted that particular target.

Even in January and February of this year in major speeches, both Mr. Irvine and Mr. Riggs were projecting that 100,000 units would be built in 1975, yet now we're looking at something below 75,000. By June, in the mini-budget, the failures had been acknowledged, the failures will in fact be fulfilled according to everything we know now.

But now, ever optimistic Mr. Minister, you and your people are telling us that in fiscal 1975-1976, we may get 90,000 units. Hope springs eternal, but that does assume an enormous resurgence of housing in the first three months of 1976, and an awful lot of holes cut in the ground some time around the middle of March next year. I suggest that we'll spend an awful long time even getting to the beginning of a solution to the problem.

After this rather dismal story, let me give an indication of how optimistic you people are when you get your thinking caps on and go out to the public—particularly when an election happens to be in store.

[Tape recording played]

**Mr. Chairman:** Order, please. Would you please turn it off for a moment? I would just like to ask the committee if this is in order. I asked Mr. Cassidy before the meeting commenced if he would be using this and I believe Mr. Cassidy at that time said he wouldn't.

**Mr. Cassidy:** I said not for recording.

**Hon. Mr. Rhodes:** It is a delightful jingle, I might add.

**Mr. Cassidy:** Mr. Chairman, this is a contribution to the debate which I don't feel I can duplicate.

**Hon. Mr. Rhodes:** Mr. Chairman, I would have to agree. There is no way he could duplicate that.

**Mr. Kerrio:** Are there TV cameras hiding behind the curtain?

**Mr. Cassidy:** This is very brief. I guess the ministry was buying 60-second spots and there are only two that I wanted to play—I didn't want to bore the committee by having a lengthy presentation on tape.

**Mr. Chairman:** As chairman I would like to suggest that I feel this is not the type of



presentation that should be presented in the committee. However, I will leave it up to the committee's discretion if they wish it to carry on.

**Mr. Johnson:** Let's get on with the business and forget about the tape.

**Mr. Angus:** Mr. Chairman, did we not have a slide presentation by the Ministry of the Environment? That is a form of audio-visual presentation the same as Mr. Cassidy is displaying.

**Mr. Chairman:** Correct.

**Mr. Cassidy:** In that case, Mr. Chairman, is the precedent not set? We have now spent two or three minutes considering whether or not to have a one-minute or 1½-minute presentation and it seems to me that this is a reasonable kind of thing. I had to listen to these damn things every day last spring when I drove down to the Legislature from Ottawa.

**Mr. Sweeney:** Mr. Chairman, may I suggest that we do understand the purpose of Mr. Cassidy's presentation, I don't know whether anything further would serve any purpose. I quite understand what he's trying to say, and I agree with him.

**Mr. Cassidy:** The concluding sentences in this particular one are germane, I would say.

**Mr. Sweeney:** I would be willing to listen to one.

**Mr. Chairman:** I will leave it up to the committee.

**Mr. Cassidy:** I would move that there be permission to listen to this.

**Mr. Lawlor:** Mr. Chairman, I think it is perfectly in order. It's still done in courtrooms these days for a little amplitude. If it is used one way by the government, surely no embarrassment would ensue to the minister. He wasn't even there at the time.

**Mr. Chairman:** I have had a motion by Mr. Cassidy that we permit this—is it the wish of the committee?

**Mr. Hall:** Mr. Chairman, I can stand one more I think—provided that that is the end of the show.

**Mr. Cassidy:** Okay, Mr. Chairman.

**Mr. Chairman:** Mr. Cassidy moves that he be permitted to play a tape recording.

Motion agreed to.

**Mr. Cassidy:** I went back a little bit. Not the whole way.

**Hon. Mr. Rhodes:** You erased some.

[Tape recording played]

**Hon. Mr. Rhodes:** Cassidy at high speed.

**Mr. Lawlor:** I hope Hansard is getting this.

**Mr. Cassidy:** At any rate, Mr. Chairman, the point was the claim in the ad about the overall plan of Ontario to make more homes available. At the end, it said, "Ontario is pitching in too." To which I might comment that Ontario was pitching it to.

What is happening out there? Enormous changes have taken place in the housing market in a very short period. People's expectations of what they can hope for in housing have undergone a drastic downgrading. For most families the bungalow in the suburbs has become a dream. People who had hoped for a house, now pine for perhaps a condominium apartment; and many tenants now sense for the first time that they are condemned to tenancy for a lifetime.

There have also been radical shifts in tenure. Freehold is no longer the order of the day. Condominium form of tenure is now an accepted alternative to full home ownership. I think that acceptance of co-operatives may be just around the corner. The ownership of homes on leased land was becoming accepted until the government pulled the plug in August and destroyed the HOME plan.

As for tenants, the basis of the landlord and tenant law has been revolutionized by the combination of effective rent control and the security of tenure amendments which are now before the Legislature. As a consequence, the gap in status and privileges which had existed before between owners and tenants is now narrowing.

Short supply, rapid urban growth and other factors have had other effects. The filtering process which used to give used housing to people in low-income groups has effectively stopped because those used houses are now going to middle-income adults entering the 25-to-34 age group. Often this means that families remain as tenants because they can't afford homes, and young adults without kids are taking over the used housing that was meant to filter down. Within major cities like Toronto, Ottawa and Hamilton, there is even reverse filtering taking place, sometimes at a very rapid rate, as older, working-class housing is being



taken over, renovated and used by the middle class; and the people who are displaced right away have no place to go.

One of the reasons for the concern being expressed about housing now, and the fact that it became an issue in this campaign is that the middle class are now affected by the housing crisis, and not just working people. Concern for their kids was something a lot of us saw as a major issue in the campaign, and it came from people who were themselves middle class, and safely, adequately and reasonably housed, but who found that their children could not get the same kind of housing that they expected.

With rising land costs, interest and other prices there are no grounds for complacency. Not only that, the increase in the standard of living that people experienced during the 1960s and the 1970s is threatened with being swallowed up. Or, one might say, that the gains of that time in real income are going to be funnelled into the pockets of the very few.

I was rather impressed, and a bit alarmed, with some statements that were contained in a fairly competent housing study that was done, under the ministry's programme, for the region of Waterloo. The municipalities suggested that we should be reconsidering the question of affordability. The municipality rejects the conventional role that families should pay no more than 27 per cent of their gross income for housing. It notes that many families are, in fact, paying 30 per to 40 per cent of gross income—which is true—and then it puts down a number of figures to suggest that on the basis of increased disposable income that many families could afford that kind of level of housing expenditures.

[5:30]

They give some tables to suggest, for example, that a family with a couple of children, earning around \$11,000 or \$12,000 a year could afford to spend \$3,600 for their housing and \$1,000 for taxes, utilities and those kind of costs; or somewhere around 45 per cent of their gross income could go into housing. Now, that's nuts. That means that the real income gains that we have had over a long period of time will be eroded away if you continue with the high-cost housing economy which has been condoned, if not even created, by the Province of Ontario.

We no longer flinch, it seems to me. We are getting inured to such things as \$80,000 bungalows which, when you look at them, have nothing special to offer, apart from a fireplace and a rec room in the basement.

We no longer flinch when condominiums, which were started to try to fill the gap for home owners who couldn't quite afford to have a place on their own lot, condominiums are costing \$45,000 to \$60,000 and trendy town houses costing \$100,000. We don't even consider it abnormal when the Minister of Housing—not this one fortunately—announces that under his government's programme for so-called modest income families the carrying charges on new units will be \$400 a month or more.

I want to bring four major problems to the minister's attention for consideration in Ontario's housing policy. The first is land. When housing lots cost up to \$30,000 or more in cities like Ottawa and North York, and when HOME lots are being priced at the same amount, housing is clearly being priced right out of the reach of ordinary working families. In fact, many of them haven't even got the income to support the lot with no structure on it. The pathetic result is that whenever housing is made available at affordable prices, people jam in to get it.

For example, 1,000 people applied for 375 lots in Goulbourn township last year. Some 2,700 people applied for 650 lots in Hamilton. In January, 1975, there were 9,639 applications for only 446 lots in Malvern in Toronto, and in March there were almost 1,200 applications in a lottery for 183 lots of the OHC at Glencairn in Ottawa. Between five and 20 times the number of people apply as there are lots available; and to get one of those HOME lots or homes is just about as fruitful for the individual as winning on the Wintario lottery.

Land-price escalation has abated now because of high carrying charges and interest rates and because the Land Speculation Tax Act and a lot of other things that happened about the same time undercut the speculative bubble that has developed. But the government has not been effective in bringing land prices down, and market action has not been either. They have just hinted a stick at that very high level.

That's particularly unfortunate because the centrepiece for the government's programme since 1973 has been to follow up the short-term programme which the Comay report recommended and which we now know as the Ontario Housing Action Programme.

The government had great hopes, and if I can quote Mr. Davis, for example, in October, 1973, "I don't want to be too optimistic," he said, "but hopefully we might have 30,000 to 35,000 additional serviced lots in the

Metro area, 7,000 in Ottawa, and 4,000 in Hamilton." We haven't had any breakdown of those communities in northern Ontario. In "Housing Ontario 74" which is the bible of the ministry—the first major statement of policy—the government estimated that OHAP would directly influence the production of 12,000 dwelling units in 1974 which otherwise might be built in 1975 or later, an average of 8,000 such units in 1975.

The record, of course, is quite different. In the first place, calendar 1974 became fiscal 1974-1975; in the second place, dwelling units became redefined as buildings under construction, buildings that were started and lots that were brought into the approval stage and were ready for building. In the third place, although the government had said that it was not including HOME dwellings when it was making its counts for OHAP, in fact, when Mr. Irvine came around to boast about the record, he did just that. So we got 8,700 lots, we got 1,100 HOME houses and, instead of getting its 12,000 dwelling units that we got in 1974, we got all of 2,937 housing starts in 1974-1975, or one-quarter of what had been expected. In fiscal 1975-1976, though I haven't got the most recent figures, for the first three months I can give you some indication. Maybe the minister later on can tell us whether these give a fairly accurate indication.

You will recall that the target was 28,000 dwelling units, including lots ready for building. In the first three months of this fiscal year the target was 900 HOME houses for incomes under \$14,500; the actual starts totalled zero. The target for ownership homes between \$14,000 and \$20,000 was 9,000 starts; the actual starts were 262 and the shortfall therefore was about 90 per cent of what should have been achieved by that time. The target for limited dividend rental housing was 9,700; the government got 1,000 under way and the shortfall was about 70 per cent of what it should have got.

On other rental housing, the target was 400 over the course of a year. In three months not a single rental housing unit under this category was begun and the shortfall was 100 per cent. The target for lots for 1975-1976 was 8,000. None of them were started or brought on stream in the first three months of the fiscal year, and you were running 100 per cent behind your target.

Overall where your target was 28,000 and you should have had 7,000 lots and houses started under those various programmes, you got all of 1,276. Our projections were that

you were going to wind up the year missing your target by about 85 per cent. I am sure you have some figures to indicate that there may be hope for January, February and March, but I say to you that I can't recall nor were you able to find in our files any indication of a substantial change in that picture over the months of August, September and October, the second quarter of the fiscal year. I hope that during these estimates we can find out just how effectively the government is doing. We do think, however, that the government has engaged in propaganda exercises and that it has played games about calendar years and fiscal years, about lots and units under construction. It's the same old housing-by-headlines thing that we have had ever since the days of Stanley Randall.

**Hon. Mr. Rhodes:** Excuse me, you gave a limited dividend figure. I'm sorry I missed the next figure before you went to lots.

**Mr. Cassidy:** Do you want me to send this up?

**Hon. Mr. Rhodes:** Yes, sure.

**Mr. Cassidy:** Just the other day Peter Martin, who was here commenting to the meeting of the Housing and Urban Development Association, suggested Ontario is nearly one year behind schedule in serviced land production. Then he went on to say that OHAP was "statistically satisfactory"—I am not even sure if that is true—"but we have disappointed private industry, the public and ourselves." All I can do is to endorse the comments that were made by the senior ministry official who was responsible for that particular programme.

What is equally appalling is the fact that the government shows almost no concern for who gets the housing that is being built. I might say that is equally true of the federal government. Half of the families of Ontario earn less than \$15,500 a year, which is the medium family income. Effectively, the only government programme of any substance directed to the bottom 50 per cent of the housing market is HOME, which shows families of one income up to \$14,500 or two incomes of up to \$17,000. The amount of new family housing being directed to those families is negligible, and the amount of new rent supplement housing directed to the poorest families is also negligible.

In 1974, our figures indicate that OHC housing starts for families were down to 494 from a peak of around 6,000 back in the 1960s. The rent supplement programme that



was announced in 1971 and intended to provide 3,300 units for families in private buildings in that year had provided only 2,200 units in four years by the end of 1974. The community integrated housing programme that was to finance 2,000 starts in the past year, in 1974-1975, had yielded 1,060. The community-sponsored programme, which "Housing Ontario 74," claimed would provide 2,000 new housing starts, provided only 1,600 new housing starts, although there were an additional 800 renovated units in the programme.

As I have just pointed out, only 25 per cent of the 25,000 units committed under OHAP were provided. As I have also pointed out, the costs of what came on stream were outlandish. For example, \$390 to \$413 a month carrying charges on condominiums in Ajax provided under OHAP; \$430 to \$450 a month on townhouses provided in Brampton or Bramalea.

To make the situation worse in the housing market, it is quite natural under the laws of capitalism that the people who are the weakest and poorest are getting shoved aside by those who are richer and stronger. It is one of the laws of capitalism, and we on this side of the House happen to know which parties support those iron laws of capitalism. It's the government—and very often with spades, it's the Liberal Party.

Waterloo's housing study showed that students, young couples, and groups of unmarried working people, are showing a decided preference for rowhouses, detached single houses, duplexes and walk-up apartments, which make the best form of rental accommodation for families with kids.

In Toronto, working class neighbourhoods are being taken over by middle class people, and their tenants are being displaced. Also in Toronto, as I tried to point out to the Minister of Labour (B. Stephenson) the other night, more than half the apartment units that are available on the market are for adults only, and many landlords, even those who accept families, take a non-family household first if they are given the choice. This is a spreading trend which the government has been both unable and also unwilling to arrest.

There are whole buildings in areas like Don Mills which have provided accommodations for families for many years—they've had a large number of families with children—and these are gradually being converted into adult buildings on a floor-to-floor basis. There is no place else, Mr. Minister, for those families to go, except semi-basement apartments and slum housing, and that kind of thing. Those

are the kinds of things that are being condoned by your ministry.

If that is not the solution for the family, they move from rental housing which maybe they can afford, into condominium or ownership housing which they cannot afford. Or they can afford it only at the cost of extras—of travel, maybe piano lessons for the kids, maybe remedial teaching for the kids, maybe quilting, maybe the food budget. And it may well mean a family breakup. Those kinds of things are happening out in the housing market.

Mother-led families make up about one third of the poor people in Ontario right now. In the Kitchener housing study, mother-led families made up between 45 and 64 per cent of the waiting lists for public housing. Because of the quotas which are imposed on people on social assistance in public housing, and because of the very short supply of rent supplement housing, the consequence is that mother-led families—who are probably the worst off of any group at all—get no preference from anywhere. The private landlords don't particularly want them, and they can't afford to go with the private landlords. OHC doesn't want them. They wind up living in slums, paying rents far beyond what they can afford, and because their income initially is so low, that means enormous social, economic, even physical problems for the kids and for the mothers.

Faced with these facts and faced with the private sector that is providing housing only for people on middle and upper incomes, the main response of the Ontario government has been to shift money from programmes, such as OHC, that provided housing for low-income families, and shift the money into ownership programmes directed to people on middle incomes.

Not only is that perverse as a social policy, Mr. Minister, it's also perverse in terms of getting the maximum bang for your buck. If the Ontario Mortgage Corp. provides a 95 per cent mortgage at 10¼ per cent, or something like that, to a family moving into a \$39,000 condominium, then it has maybe put out \$37,000 in government funds in order to provide housing for that one middle-income family. Building rental housing will probably allow you to build 1½ or even two family rental units for the same amount of dough that goes out from government coffers in order to provide one condominium unit.

[5:45]

Four years ago the bulk of the government's housing activity was directed to people on low and modest incomes. Today,



while on the one hand you adopt a social housing policy that says that you're responsible for ensuring that everybody gets decent housing at a price you can afford, you direct the bulk of your effort to people on middle incomes, with the exception of senior citizens.

In the case of OHAP, which is particularly perverse, developers who benefit from the incentives that are provided under OHAP can direct 60 per cent of their OHAP housing to those affluent families in the upper one-third of the income band who earn more than \$20,000 per annum, and they have to direct only 10 per cent of their housing to people earning less than \$14,500 or \$15,000 a year. In other words, only 10 per cent of the housing under OHAP is going to people earning less than the median.

The developers aren't providing housing for the lowest half of the housing market, and neither is the Ontario government through its particular programmes.

The cost of housing has become a vicious form of regressive charge on people in this province. If you'd like to come up with me along Bathurst Street in this city some day, Mr. Minister—maybe you have got a street like that in Sault Ste. Marie; I can provide you with examples in Ottawa. On Bathurst St., at the north end, rich people pay 10 to 20 per cent of their income for housing; you find a couple living in a very large and elaborate eight- or nine-room home—two people in eight rooms paying a very modest amount of their income for housing.

Come down south of Bloor St., where you have three- and four-storey rowhouses, exceptionally dense and cut up into flats and flatlets, and you find eight people living in two rooms and paying 30 to 40 per cent of their income for housing.

No effective action is being taken by the government, despite the fact that in general, even if it isn't quite as dramatic as that generally across the province, rich people pay 10 to 20 per cent of their income in housing and poor people pay 30 to 50 per cent of their income in housing. Almost the only area where the government has moved is in the area of public housing, where rents are geared to incomes, but their public housing serves only eight per cent or so of people who are in the lowest income groups.

To give you a couple more examples, Mr. Chairman, under HOME the government finally has abandoned the idea of leased land. It is calling it—I have a quote, but I am not sure which ministry it came from—the HOME

programme, "an entry into home ownership," and it is quite cheerfully condoning the fact that once an HOME house changes hands for the first time it no longer becomes a modest-income housing unit that is an instrument in a social housing policy, it becomes a middle- or upper-middle-income housing unit accessible only to people on incomes far higher than the entry income when that unit was first sold. The other example is the vaunted home ownership grant of \$1,500, which has been granted over the last little while.

I have a few examples I would like to cite, Mr. Chairman. I have a lot of statistics, but we used them during the course of the campaign and I won't repeat them here. Eleven houses were purchased in the Sandy Hill area of Ottawa at an average price of \$87,755 by poor, deserving first-time home buyers who benefited from the Ontario home buyers grant. There was a house in Thornhill at \$99,900; there were 28 houses in Barrie, where they are clearly having serious problems of affordability. The average price of those homes in Barrie, which were subsidized under your homeowner grant, was \$156,071; that's the average price per unit, Mr. Minister. I am still staggered by that one.

A new house in York Mills for one of the deserving poor cost \$120,000. Two houses in the Bayview-Steeles area averaged \$138,250. Eleven used houses were purchased at an average of \$100,000 in north Don Mills and two new ones at \$92,000 in the same area. Five houses in north Rose-dale were bought at an average of \$107,600, one at \$100,000 in Forest Hill and one at \$111,000 in north Forest Hill.

It is no wonder that a number of people who listen to these jingles were laughing all the way to the Bahamas as they went off to spend the gains that they had under the enlightened and progressive housing policy the government designed to make sure that rich people could travel and buy homes as well.

In terms of analysing the problems of what's happening, I want to say that the effects of growth have been ignored up until now by this ministry. You're trying to buck something which is very difficult. There are root causes of your problems that do extend beyond the ministry and extend, in fact, to the failure of the entire government to come to grips with the imbalance of economic growth across the province. Housing supply and housing costs are obviously very closely related with job location, regional planning

and the whole growth and employment plan for the province, if such a plan were to exist.

Years ago the Conservatives created the Toronto-centred region plan that was designed to structure the growth of this region and be the centrepiece of growth for the whole province. The other pieces were never put into place, unfortunately. The mistake of the government was obviously to be so uncritical of the free enterprise system that they allowed it to continue to make its decisions unchecked.

Northern and eastern Ontario have continued to rot while the Toronto-centred region has suffered from an incredible over-concentration of growth. Because families in search of cheaper housing are often driven in desperation outside of the Metro Toronto area itself, the high cost of housing generated in Metro Toronto spreads now from New-castle on the east, as far as St. Catharines and from Bloor St. and Yonge to Guelph and as far north as Georgian Bay and possibly to Peterborough.

All through that area there is a shadow of high prices which was created by, and that has spilled over from, Metro Toronto. For example, the planning director of Barrie, as I recall, was forced to move out of the city when he went to buy a house because he, on his planning director's salary, couldn't afford to buy a home in that municipality.

**Hon. Mr. Rhodes:** He probably planned himself out of existence.

**Mr. Cassidy:** I'll come to that, because it's a serious problem too. But, let's face it, poor old Barrie is suffering from the fact that it's 40 miles north of Toronto and the people have spilled out of Toronto because of the growth policies of this ministry—of this government, I'm sorry.

That means people from Barrie spill up to Orillia if they intend to work in Barrie because Barrie incomes won't pay for Barrie housing. That means, in turn, that the low wage industries of Orillia, which traditionally has been a lower wage, somewhat depressed, industrial sector, can only be afforded if they live off in the rural hinterland 20 or 30 miles away from Orillia. They can't afford to live in Orillia itself because the people from Barrie are living in Orillia.

I tell you, this is crazy, Mr. Minister. It means that the kind of benefits of small-town living, of being close to your job and your family and being able to get home occasionally to have lunch with the kids and all that kind of stuff no longer exist. The basis, the

structure of small-town living in a wide, wide band of Metro Toronto is being disrupted because of the distortions created by excessive growth.

I want to talk about what we would do. As I'm sure the minister understands, I don't expect him to respond point by point when we get back after supper—if we are here after supper—to all these points. I wanted to use these Housing estimates to put on the record some of the things that we think are important about housing. I hope that he does try and engage in some of these questions. I'm really quite serious, Mr. Minister, in saying that you, as a minister without the preconceptions of your predecessor and we, as a party facing for the first time in living memory, just about, the risk that we might become the government one of these days, have to talk seriously about what we do next.

What happens beyond rent controls? That's not an issue any more. The issue is what do we do beyond it because, clearly, we're into a kind of different market, a different situation. What happens beyond the market system? Clearly, we've abandoned it or we're in the course of abandoning the market system. We're coming closer and closer to public land development. How are we going to manage public land development? These kinds of things have to be discussed now.

I would hope that the ministry, in the pragmatic way in which it's accepted rent controls, would now equally pragmatically come to grips with those questions rather than wait another year or two or five years. Then the problems again get worse and worse before you move after, rather than before, the problem has become too intense to bear.

We endorse the commitment to a social housing policy that's been made by the government and wish that it were more than mere words. We welcome the major changes in the housing policy which are being undertaken by the government, may I say, particularly in relation to tenants even though these major changes are being made grudgingly.

I would say that, among other things, we also welcome some of the things you're doing in relation to municipalities and so forth. There are some promising strands of policy there, even though we don't see the results right now. I suspect we don't see the results because of a difficulty in commitment and will that flows out of the fact that it's a Conservative government and not a New Democratic government.

When this government says to the devel-



opers, "We're going to get nasty," they don't really believe them, because the relationship has been very cozy for a very long time. If we were in power and said to developers, "We are going to get nasty," they might be more inclined to believe us, because they've been hearing what we've been saying about them for some time and the penny may have dropped that we don't like developers particularly, even though we may recognize that they have a useful skill to contribute in the market.

We do deplore the obsession with home ownership on the part of the government, also its failure to deal with the distribution of housing; that is, which income groups and which kinds of families get housing. We deplore the failure of the government to give priority to the people with the greatest needs. We deplore the complacent way in which the government has stepped in to bail out developers, and we deplore its lack of will to come anywhere near close to achieving the housing targets that the government itself has set for Ontario, let alone those rather higher targets that we talked about in the election and which we believe are required.

If I can just say a word about that, if you go back to the Comay report, it said that, I think, from 1971 to 1981—or maybe it was 1973 to 1983—we needed a million housing units. The shortfalls we have experienced so far mean that when the NDP talks about a need for 110,000 or 118,000 units per year, it's simply a matter of recovering the units that you didn't build in 1974 and 1975 and that you won't build in 1976. The kind of housing targets that we are talking about are justified. We know that the industry has got the capacity to build at those levels, because it has already done so in 1973. We hang our hat on reports like the Comay report and other expert advice which suggests that that kind of housing is needed over the course of the 1970s.

We do believe that the government is upholding a fiction when it says that it is trying to restore the market system into housing and trying to restore private initiative. Let's face it, there is government involvement in almost every housing start this year across the province, whether it's through OHAP, AHOP, HOME or simply through local government activity in the official plans, zoning or rezoning. If it isn't that, you may have twisted the arms of some trust company or insurance company to get the mortgage.

You're very much involved. There is a partnership between the private sector and government in almost every housing unit, and that may as well be recognized now, rather

than pretending that you're just coming in at the bottom or at one side of the housing market. It is an artificial market that already exists in housing, but as far as we're concerned, and on behalf of the NDP, we don't think that that fact should necessarily be deplored. The fact that we've moved away from a free market system to a managed market system should be recognized and the opportunities should be exploited rather than ignored.

We have clear proof over the recent years, and in fact over many years, that the market system on its own does not adequately serve large spectrums of the population; most notably families on low and modest incomes, senior citizens, people with disabilities and single people on low incomes. Nor will the private market, unaided, provide the choice in housing which one would have thought should be available in a society such as Ontario.

If I can comment on that to the minister, we in the NDP happen to believe that everybody in this province should have as much choice in housing as is possible to achieve. That doesn't mean that everybody should be able to live in the mansion that Morty Shulman has for himself in Forest Hill, or Elie Martel, or the minister for that matter—or Bill Davis in a condominium.

**Hon. Mr. Rhodes:** Oh, I have to interrupt. My house wouldn't be used by Martel's gardener.

**Mr. Martel:** It's a nice house.

**Mr. Cassidy:** However, Mr. Chairman, right now the situation we have is that somebody earning \$15,000 or \$20,000 or \$25,000 a year can choose to own or can choose to rent. They can have a trendy townhouse; they can have a suburban bungalow. If you're on a very low income it's a slum, it's a semi-basement, it's public housing which may or may not be a ghetto, it's the luck of the draw in a rent supplement unit, which may well be 10 miles from where your job, your friends or your day care may be located. That kind of inadequacy of choice for people on low incomes is simply unacceptable as far as we are concerned.

**Mr. Chairman:** It's 6 o'clock, Mr. Cassidy.

**Mr. Cassidy:** I'll have one more word and then I'll have a few comments after we resume. I'd just like to conclude comments on this particular item. I'm sort of beginning to launch into an introduction of the NDP proposals.



**Mr. Chairman:** It will be very short?

**Mr. Cassidy:** Very short. The problem with the Conservatives—I have to get this in—is that you can't accept the consequences of the fact that the market system in housing has self-destructed, or some would say that it's people like the minister, the government, planners like Mr. Wronski, people like ourselves, who have destroyed a market system in the name of sound planning, but who have not so far been able to go the second mile and say, look, if you're going to plan and create a monopoly in land, as you do under planning, then you have to control the land publicly and control what goes up, and not leave the profits and the control of what happens to the private sector.

You Tories will vainly try to recreate the private market rather than seeking means to provide housing to as many people as pos-

sible at an affordable cost. We think that you should do everything possible, and certainly we will do everything possible to meet the goal which you have finally come to accept which is that decent housing at a reasonable cost is a right of every Ontario citizen.

After the break, Mr. Chairman, I want to talk in a bit more detail about what we would do in order to achieve that prime goal of a social housing policy.

**Mr. Chairman:** Thank you, Mr. Cassidy. It being 6 o'clock, or thereabouts, we will adjourn until—I'm not certain what time. The minister, I believe, has to reply in the House, or make his comments on Bill 20, so this committee will come back into session as soon as the minister is finished with his remarks in the Legislature.

The committee recessed at 6 p.m.

## CONTENTS

Thursday, November 20, 1975

Opening statements .....	S-477
Recess .....	S-487

## SPEAKERS IN THIS ISSUE

Angus, I. (Fort William NDP)  
 Cassidy, M. (Ottawa Centre NDP)  
 Hall, R. (Lincoln L)  
 Johnson, J. (Wellington-Dufferin-Peel PC)  
 Kerrio, V. (Niagara Falls L)  
 Lawlor, P. D. (Lakeshore NDP)  
 Martel, E. W. (Sudbury East NDP)  
 Rhodes, Hon. J. R. Housing (Sault Ste. Marie PC)  
 Sweeney, J. (Kitchener-Wilmot L)











Government  
Publications

# Legislature of Ontario Debates

*Legislative Assembly*

**SUPPLY COMMITTEE**

**ESTIMATES, MINISTRY OF HOUSING**

**OFFICIAL REPORT — DAILY EDITION**

**First Session of the Thirtieth Legislature**

**Thursday, November 20, 1975**

**Evening Session**

**Speaker: Honourable Russell Daniel Rowe**

**Clerk: Roderick Lewis, QC**

THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975

vided and what income groups served, or if the effect of housing policy requirements is to make municipalities concentrate on the question of who gets what in the housing market, then you will begin to see municipalities settle down in a much more realistic way to provide within their borders the best housing mix which respects the restraints of constant accessibility and so on.

I talked the other day with a social planner in the housing field who said that they had done some surveys and they had told people to devise an ideal house. The ideal house was normally a bungalow costing about \$8,000 or \$9,000. It had three fireplaces and two johns and four bedrooms and a recreation room and a 60 ft lot and the works—probably an indoor swimming pool as well. It became much more interesting and the results became much more varied when they asked the same group of people, "Now devise your ideal house, but here's the cost of the elements and you have got to keep within \$35,000, \$40,000 or \$45,000." That became a really interesting and difficult exercise.

In the past, I would suggest, municipalities have been in the situation of the surveyed people building a house without any constraints on cost and without any constraints on who could afford the product or whether in fact they could afford it themselves. Housing policy statements are a first step towards setting up constraints; in fact we really believe that the constraints should be much greater than that.

A housing plan is difficult to devise without an overall economic and land-use plan for the province. It is tragic that we do not have one right now. Such a plan would discourage job growth in the Metropolitan Toronto region in order to take the development pressures off this area or provide economic development which could be accompanied by housing in areas such as southeastern and northern Ontario and the southwest.

But even without the economic plan, Mr. Minister, which your people have taken so long in devising, it should still be possible for the province to devise housing targets for each region and each municipality in conjunction with that particular local government.

In conjunction with the government, and bearing in mind that municipality's housing policy statement, it seems to me the province could insist on the working out of more detailed five-year projections of the kind of housing, the price, the type, the density, the land use, the tenure and the distribution in the different income groups.

Like the individuals I mentioned who were trying to build houses with a constraint of \$45,000, the municipalities and their rate-payers could settle down with a set of criteria devised in conjunction with the province, and the local people could then determine the purely local and physical problems of how and where this development was to occur. That is being realistic. That would begin to ensure that people in all income groups, and not just in upper-income groups, were served with decent, affordable housing. That's the kind of step that we would take as a government and that I would urge on the minister if he is prepared to abandon the kind of free-enterprise rhetoric that he was giving us in the House a few minutes ago.

We are also coming to the view, in the NDP, that Ontario must reconsider the densities at which it permits development in large parts of Ontario. I am not sure whether it's a matter of a total veto or whether it's a matter of very strong encouragement to municipalities to reconsider the densities, particularly in suburban development. One of the problems with the province is that in OHC housing—in your own housing, your own programmes—you set examples to municipalities which are not particularly productive in terms of providing affordable housing. The densities at projects such as Malvern are unacceptable, I suspect, if we are concerned about the loss of agricultural land and the indirect costs of suburban style development, such as transit subsidies, etc.

Let's assume that the densities of single-detached housing units average around five units to the acre, duplexes around 12 to 18 per acre, row-housing from, say, 18 to 25 units per acre, and apartments up to 60 units per acre. If only 15 per cent of the housing that is planned in a community is in a detached form, that single-detached housing will take up half of the available land. It's that land extensive; it's that wasteful in use of land.

In fact—and I haven't got breakdowns here but I am sure some of your people do—far more than that proportion of development is still in single-detached housing. The consequence is that we have an enormous and inordinate waste of land, even here in the Metropolitan Toronto region where we all acknowledge that land is very tight.

Every time you put up single-detached housing like that, you inevitably encourage a suburban, car-oriented and very expensive form of development, which is expensive to the provincial taxpayers, who must meet municipal subsidies, transit subsidies and that



kind of thing, and to the other local rate-payers.

We are coming to the view that we do not object to increased densities provided that those densities are adequately planned and provided that the increased use of the land and the values that flow therefrom, when you increase the density, are passed on to the municipalities, the province, the public or the users—and not in the form of increased profit to the developers.

[9:00]

The minister knows that particularly in southern and eastern Ontario and major cities, there have been tremendous fights, beginning in the mid-1960s and going on into the present about rezonings at the municipal level. One of the great problems with those that has bedevilled the fight over rezonings has been that they have generally been unplanned and that there have been enormous profits to be made by developers, if they succeeded in persuading the council to give them what they asked for.

If you could have taken the profit element out, or ensured that the result was cheaper housing—or made certain that it came to the municipality in the form of a letter—and therefore benefited everybody in the municipality, then the planning question of whether the proposed increase in density was reasonable or not could have been considered in a balanced way. I suggest that the planning people in your ministry start to think about how we can do that and what techniques can be used in order to increase density without simply paying profits to the developers.

I think we also need to reconsider some of the ways in which we use land for other uses. At this point, I'm not trying to lay out what an NDP government would do as much as initiate a discussion which I hope that the minister and his people will carry on because I think these areas need to be looked at.

Thanks to CMHC and a lot of the work it did post-war, we have developed standards for schoolyards and playgrounds, for the acreage of parks, for parking, for institutional uses, for shopping centres and also other things that accompany residential development. The consequence is that if you started with 100 acres that you wanted to develop into a community, you may well find that the net acreage that you have left for residential uses, by the time your streets, side-walks and other things are also taken away, may only be 40 or 50 acres. The costs of all of that land that goes for other things are clearly reflected in the price of the housing.

In our industrial land we get into the same problems. Single-storey factories, for example, have been developed over the last 15 or 20 years and are tremendous users of land. They often sit on industrial sites that are sold at cost in municipalities that refuse to develop and sell residential land at cost. This is another kind of land-hogging use.

School playgrounds and yards are often woefully under-used, apart from one or two hours a day. It's worth thinking whether school needs and local and regional park needs cannot be integrated rather than constantly being kept separate. One might also say the same thing for, say, schools and medium density development which don't necessarily have to be separate; for schools and commercial development in certain cases and for that matter for certain forms of light industry, the workshop kind of industry which could be integrated with certain kinds of residential development.

We just had in Ottawa an integrated proposal for the eastern community which would have cars removed at a fair distance from the homes, as much as a five-minute walk between the car parking area and the homes. It would be a park-like setting with very small private spaces adjoining each house in order that you can have ground-oriented accommodation, medium densities, workshops and that kind of thing, a mixture of uses that hasn't been tried in recent years. In the same vein, municipalities are now, or should now be, looking seriously at the standards of subdivisions, and so should the province.

We should also be looking at whether some of our building forms haven't become so standardized that they're incapable of enlargement and of further development after the owners or the occupants have been in for a period of time. The minister comes from an area where many homes have been enlarged in various ways. Up in the north it's a traditional kind of thing and in smaller municipalities across the province. But gilt-edged standards combined with very tight lot sizes sometimes make it impossible for housing to begin small and then to be increased with sweat equity by the individuals after they've got over the financial trauma of buying or moving in.

The province itself, it seems to me, ought to start to look at development of land and the standards required for land on a more rational basis in order to reduce not only land costs by increasing densities but also servicing costs. I would like to point out that Ontario, in one of its more successful if limited programmes, has proven that it is possible to

bring on to the market affordable housing to a large group of people in the province at prices of around \$30,000 for a house and land.

As I understand it, the target prices for the HOME projects that are being built run between about \$20,000 and \$24,000; the average is probably creeping up towards \$23,000 or \$24,000. But it still looks sensational when you compare that with the price of housing in the private market.

I understand as well that the book cost of the land in HOME developments, even with the escalation of land prices that's taken place and even with the high standards of servicing that are required—in certain cases a lot more is required by the municipality—are running between \$8,000 and \$12,000, even less.

**Mr. Singer:** What areas of the province are you talking about?

**Mr. Cassidy:** In Malvern the target prices are running under \$24,000.

**Hon. Mr. Rhodes:** That is the house only.

**Mr. Cassidy:** That is the house only, that is correct. In Malvern the book—

**Mr. Singer:** Recognizing that Malvern has been owned by public people since 1953.

**Mr. Cassidy:** But if I can do a bit of arithmetic with the minister. If land not too far from services is available at the extortionate, speculative price of \$20,000 an acre—

**Mr. Singer:** But how do you compare 1953 prices with 1973 prices?

**Mr. Cassidy:** All right, I'm just saying, where land is available in the private market without breaking the back of the developers, as we would hope to try and do where they are engaged in pure speculation and long-term landbanks. But if you pick up the land to the public for \$20,000 an acre and develop it at densities of 15 or 20 density units per acre, then the raw land cost per unit is running around \$1,000. Therefore, your serviced land cost per unit can be kept well below the \$10,000 per unit mark.

**Mr. Singer:** You have lost me.

**Mr. Cassidy:** I've lost you because you are a zealot for the free market system.

**Mr. Singer:** No, I am occasionally just a zealot for arithmetic. If you buy it in 1951, cheaply—

**Mr. Cassidy:** I am suggesting that if the HOME plan on publicly owned land can pro-

duce housing which comes in at \$32,000, \$34,000—however you divide that, between first mortgage, second mortgage and that sort of thing—

**Mrs. Campbell:** The lots are \$35,000 in Malvern now.

**Mr. Cassidy:** But there has been no determined effort by the government in order to bring land costs down.

**Mrs. Campbell:** You are right.

**Mr. Cassidy:** And we feel in the New Democratic Party that a government worth its salt would go to the developers and say "Look, you've got the landbanks." Around 60 to 90 per cent of developable land around each of the major cities of Ontario is held by a handful of developers. They are exercising a monopoly; naturally this land is close to development and they are simply waiting and rationing out the land. They are in a monopolistic position, that planners and politicians like ourselves have permitted them to be in; they can charge the moon, because they have the right to, because that's the free market system.

**Mr. Singer:** Was Malvern 1,700 acres?

**Mr. Cassidy:** Sure was, but Malvern is not sufficient to break the land—

**Mr. Singer:** One thousand, seven hundred acres that sat there from the early—

**Mr. Chairman:** Order, please.

**Mrs. Campbell:** It is the government that is taking it all, at \$35,000 a lot. The biggest speculators in the business.

**Mr. Cassidy:** But the Ontario government has abandoned the HOME plan, which was one of the criticisms I wanted to come to later, because it's saying that as soon as an HOME house is sold for the first time by its original owner the price will go up to \$50,000 and \$60,000. There is a clipping here of somebody in Malvern whose first asking price for his home which he had bought for \$19,000 plus the lot, was \$85,000. It is insane to co-opt a few working and moderate income people and turn them into speculators—

**Mr. Mancini:** Must have been capitalists.

**Hon. Mr. Rhodes:** Or NDP.

**Mr. Cassidy:** —turn them into people who are just as bad as the people they are trying to avoid.



**Hon. Mr. Rhodes:** Let's not talk about inflated prices; that seems to jump over political boundaries.

**Mr. Singer:** Call the minister to order. He is interrupting.

**Hon. Mr. Rhodes:** Certainly bring me to order.

**Mr. Cassidy:** If the minister is trying to say there are problems in Vancouver as well, which is true—

**Hon. Mr. Rhodes:** No, I'm saying the problem is right in your own caucus.

**Mr. Cassidy:** The problems in BC relate to a province where only one per cent of the total land area of the province is land which is at all usable for either agricultural or for residential purposes, whereas in southern Ontario the bulk of the area is available for residential purposes.

If the developers are not willing to let land go into public hands at a reasonable price that would allow the provision of housing at prices that people can afford, if, in other words, they'd block the Ontario government from coming along and making leased land available—we think it should be leased over a long term—at prices that would allow these \$22,000 houses to be built, then we're saying that there should be expropriation of that developer's land and it should be at a price that relates to the book value, plus a very small amount, and not to some artificially inflated market value which the developers have conspired to achieve.

I want to say to the minister as well that I'm very sorry that the leasehold features of the HOME plan have been abandoned. As the minister may know, we in the NDP have with some difficulty tried to analyze what it is in Ontario that people really want with ownership. We've tried to unbundle the various attributes of ownership in order to preserve the things that are important to the people or take away the things that contribute to the housing crisis.

The ministry did this in creating condominium houses. What it did was give people freehold without land, in effect, because their land was a space in the sky. That is a different form of tenure. The Crown-hold that we propose would give people unlimited tenure. They could stay there as long as they want and that's the major thing, it seems to us, that people want when they buy a place freehold. They also want the privilege of passing it on to their sons or daughters, despite the fact that people normally don't do that any more.

**Hon. Mr. Rhodes:** And the equity.

**Mr. Cassidy:** The privilege of passing the house on should be there too; the third element is the equity. The equity, however, we feel is not proper to be given, if you give people the advantages of publicly provided land at publicly provided prices. In other words, in return for a \$10,000-lot in Malvern, rather than paying \$35,000 on the lot, we say that if you're allowed to own on that basis you shouldn't be able to make unlimited capital profits. Therefore, when a transfer comes because the person moves or decides to rent or whatever, at that point the transfer should be back to a public authority and the price of the land should not change.

**Hon. Mr. Rhodes:** Mr. Chairman, with the member's indulgence, he has lost me now on one point. I gather from your remarks that in the case of a person who acquires a HOME home and leases the lot, you seem to be under the impression that that person is then able to sell that lot at a profit after a period of time. Maybe I misunderstood you. You seem to think that they can acquire the land at a low price—

**Mr. Cassidy:** That's right.

**Hon. Mr. Rhodes:** —and then sell it at a higher price.

**Mr. Cassidy:** No, that's your policy, not ours.

**Hon. Mr. Rhodes:** No, that isn't my policy. I'm saying you seem to be under the impression that they can do that. You seem to be under the impression that an individual can sell the house and lot and make a substantial profit on the lot. That is not the case, if that's what you believe.

**Mr. Cassidy:** The policy which you have now finally come to is to have that \$25,000 interest-free second mortgage hanging around which creams off the biggest part of the initial profit that your HOME lottery winner could get. But after four or five years, if you don't do anything about the land market, it may well be that there is another increment of \$10,000 or \$15,000.

**Hon. Mr. Rhodes:** That's fine. I'm not faulting that but I think it is misleading, and I'm using that word not in an unkind way. I think it is misleading to suggest that the profit, if you will, between the \$10,000 and the \$35,000, the figures you've used, is money that the initial owner acquires and takes off with. That isn't so.



**Mr. Cassidy:** Okay. The minister will agree that up until recently that was the situation. Now it has been changed. I think it was only in August that it was changed at the time that the whole HOME concept was effectively abandoned.

[9:15]

**Hon. Mr. Rhodes:** That's right.

**Mr. Cassidy:** And the bizarre situation that results from that is that Ontario, far from contributing to a solution of high land costs, has become part of the problem. The Ontario Housing Corp., in the HOME programme, is a speculator. With a \$25,000 profit that we have talked about, which is in that second mortgage, instead of taking it on the first sale, all you do is you take it on the second sale.

**Hon. Mr. Rhodes:** I don't think you can apply this as profit because, by your own admission a few moments ago in your statement, that is the market value of the land.

**Mr. Cassidy:** But the \$25,000 represents the difference between what the land cost you and—

**Mr. Chairman:** Order, please. I think we should continue in our usual manner and there will be ample opportunity for comment during the vote-by-vote discussion.

**Hon. Mr. Rhodes:** My apologies, Mr. Chairman.

**Mr. Cassidy:** Mr. Chairman, all I was saying is that—

**Mrs. Campbell:** We accept it.

**Mr. Mancini:** Sometimes you just can't help it. I don't blame the minister.

**Hon. Mr. Rhodes:** Good chairman.

**Mr. Cassidy:** The \$25,000 is a profit because it's the difference between the cost to the Ontario government of bringing the land on to the market and what the market will actually bear. What we are saying, though, is that if you bring the lot on the market for \$10,000 and let a person have it—whether it is a qualified sale or a lease doesn't particularly matter—when he moves he should sell it back to the provincial authority at \$10,000 or at \$10,000 plus a modest escalation factor so that the same house and lot, five years later, can be made available to somebody else who can afford a \$10,000 lot but can't afford what the market is charging. Gradually, we suggest, you get a

bigger and bigger sector which is outside of the market and is providing good, decent housing outside of the market. That's the way you'll start to influence overall land policies.

The other point we want to raise, in terms of what we would do, is that we would have a very strong concern about who benefits under the social housing policies of the Ontario government. We think that families and people with modest incomes should have obvious priority. I have talked already about the way in which the housing plan should ensure meeting the needs of these groups, who have been consistently shut out under the private, free-enterprise housing market, and I needn't elaborate about that.

We should also bear in mind that these groups are paying 30, 40 and 50 per cent of their income in housing costs, and Ontario therefore should very seriously consider moving in with a system of shelter subsidies directed to the high-impact groups, the groups with the most severe housing problems, which would be modest-income families, people on low incomes and senior citizens, in order to ensure that they can achieve the goal of affordable housing without waiting for that happy day when the rent supplement programmes and all the other fancy promises of the ministry are actually achieved.

Just in passing, I want to say that we are beginning to look at ways in which the costs of housing can be redistributed within the housing sector so that those people who live up north on Bathurst St., and pay a very small part of their income in housing costs, possibly can contribute to alleviating the very high housing costs paid by people on low incomes.

**Mr. Singer:** North on Bathurst St. near where?

**Mr. Cassidy:** The middle of your riding actually.

**Mr. Singer:** They don't pay a very low part of their income.

**Mr. Cassidy:** Sometimes they do.

**Mr. Singer:** Let's get that one cleared away.

Interjection.

**Mr. Singer:** Just because they don't vote NDP doesn't mean very much.

**Mr. Lawlor:** They will next time.

**Mr. Singer:** I hope you are allowing for a long time, Pat.

**Mr. Riddell:** It means an awful lot for the good of Ontario.

**Mr. Cassidy:** I want to close off by telling the minister about something he can do that will not cost the Ontario government a lot of money at a time when, as we have heard today, there isn't a lot of money to go around.

The Quebec Civil Code says specifically that you can't discriminate in housing against people because they have got kids unless there would be overcrowding as a result. The minister may be aware of the rather dramatic meeting that was held at city hall last night over the city's attempts to pass a bylaw to stop landlords from creating and continuing adult-only buildings.

There is a determined and vicious lobby being carried out by the Urban Development Institute against the families and against the children of this province. I might say that nothing so demeans the developers of this province than the way in which they are trying to get at the kids and trying to undermine one of the very prime purposes that we are all here as politicians and as members of this society.

I would welcome an assurance from the minister that he will bring in legislation or amend one of the bills we have before us now in order to stop discrimination by landlords against people with kids, because I think that would be a very important and progressive social move that would complement the other efforts the government is making towards the social housing policy.

**Mr. Hall:** Mr. Minister, as the initial spokesman for the Liberal Party, I wish to compliment you for taking on a difficult task at a difficult time. I wish you well and hope that you can bring a fresh and independent approach to this area of responsibility.

**Mr. Lawlor:** Don't be too kind to him; he can look after himself.

**Mr. Eaton:** You fellows know it too, boy!

**Mr. Cassidy:** He may turn out like Donald Irvine.

**Mr. Hall:** Mike, I didn't interrupt you once.

**Hon. Mr. Rhodes:** You'll never stop Cassidy. Don't try.

**Mr. Lawlor:** Nor Lawlor.

**Hon. Mr. Rhodes:** No, Lawlor you can stop. He's a gentleman.

**Mr. Cassidy:** But the minister did.

**Mr. Chairman:** Order, please. Mr. Hall.

**Mr. Hall:** My background in housing is 21 years experience as head of a small survey, development and house construction company in Grimsby.

**Mr. Singer:** That is a fair qualification.

**Mr. Eaton:** You are one of those developers we have been talking about.

**Mr. Hall:** During that time I've had many opportunities to meet at first hand with planning boards, councils, committees of adjustment, and Department of Highways officials—which, I guess, is MTC now. I've suffered the frustrations of delays and revisions to official plans, zoning bylaws, sewer projects, draft plan subdivision approvals and so forth. It's been said here tonight, and many other times, that developers are always holding land off the market. I can assure you, as a small developer, it takes nerve to buy the land at the prevailing prices and you are most anxious to get it on the market if you can or as soon as possible. However, there are things that stand in the way.

I would quote briefly from the Grimsby Independent of March 27, 1968: The heading is rather unique: "1970 Target Date for Pay-As-You-Go Sewers."

**Mr. Wildman:** Pay-as-you-go sewers?

**Hon. Mr. Rhodes:** That goes in the airport.

**An. hon. member:** It costs you a dime.

**Mr. Makarchuk:** Not before, not after, but during.

**Mr. Singer:** Right, as you go.

**Mr. Hall:** We like a laugh in the small towns too:

Jan. 1, 1970 is the starting date for the multi-million dollar sewer scheme that has been awaited by the district for a number of years. The Ontario Water Resources Commission this week announced it will be ready for a start on sewer construction in Lincoln county by the first day of 1970.

**Mr. Singer:** John Root said.

**Mr. Hall:** Then it goes on into many details. It's prior to 1970, obviously. Lincoln county has been regionalized for many years.

This is one of the reasons why land doesn't get on the market because this scheme that was announced March 27, 1968—

**Mr. Singer:** Stanley Randall said.

**Mr. Hall:** —will begin to function, hopefully, by January, 1978. Nevertheless, Mr. Minister, I say to you as one member of the Liberal Party, that the free enterprise system can lick the problem of housing shortages and costs given the co-operation of various levels of government. But it must be soon. I say further that government will never adequately house our people by leading directly into that field of self-increasing measure. We're always lacking in incentive, initiative, flexibility and the know-how that thousands of builders, large and small, possess in great abundance.

This fall, for the first time since the Second World War, it has become necessary to pass rent review legislation, primarily because of shortages in three or four major cities. In this matter, a few centres have made it necessary to have controls everywhere in the province. It must be admitted by this ministry that rent legislation would not be necessary if the government had done its job in housing.

There is no shortage of materials. There is no shortage of labour and there is no shortage of land. But here we are with a shortage of housing. I suggest that unless we want this added bureaucracy and more controls around our necks forever—the Liberal Party certainly doesn't—that this government establish new priorities and address itself urgently to all manner of positive steps to create sufficient housing for the province.

Once again the latest CMHC statistics for housing starts in Ontario prove the inept housing performance in this province. Everywhere in the country starts are beginning to **pick up after the disastrous experience** last year. In Ontario, our starts lag behind the average for the rest of Canada by 14 per cent.

**Mr. Singer:** That is an interesting figure. I wonder if the minister made a note of that?

**Mr. Hall:** The pickup across Canada for the first nine months of 1975 over the first nine months of 1974 is 38 per cent but in Ontario it is only 24 per cent. Why is this? What's the excuse? Last year CMHC's comparative figures indicated that the decline in starts here was faster and deeper than the rest of the country. Now the recovery that is taking place is considerably slower. I don't want to be unfair or overly critical but I do

believe that an adequate explanation hasn't been forthcoming so far.

Consider OHAP, the Ontario Housing Action Programme. In the middle of 1974, that programme promised 1,200 housing starts and I quote from page 16 of the report: "and upwards of 28,000 such units in 1975." The result: fiscal 1974 produced 4,104 starts and 8,773 approvals. So far this year there have been 2,313 starts. What has happened to the 6,460 units approved last year but obviously not on stream?

Last year on the occasion of these estimates we seriously questioned the validity of the figures being touted by the minister. Our fears have come to pass. Here we are through almost eight months of the fiscal year, with the best of the building season behind us, and this bad result. The administration costs keep going up; advertising and public relations costs keep going up, but not housing.

In an address to HUDAC, the Housing and Urban Development Association of Canada, on Oct. 27, 1975, Mr. Peter Martin, the executive co-ordinator of Ontario's Housing Action Programme, claimed that OHAP is statistically satisfactory, a statement that we can't agree with. But he continues, quite honestly, to say that it doesn't mask the fact that OHAP has disappointed private industry, the public and OHAP itself.

Mr. Martin says that OHAP serviced-land production is nearly one year behind schedule, as both planning and servicing commitments have simply not proceeded fast enough. A provincial sewer-treatment plant construction is off the pace that had been hoped for, and it will take a major effort to get a significant quantity of new lots on the market in 1976. Mr. Martin says that the programme, conceived as a partnership of developers, municipalities and the province, has, on many occasions, produced neither the co-operation nor the commitment to housing that Ontario needs. Mr. Martin suggests that all three parties to the partnership are to blame.

This is straight talk, Mr. Minister, and I respect Mr. Martin for his frankness. The road to improvement is candid appraisal on the status and the problems followed by the determination to re-order our priorities and correct them. I believe you have quoted, Mr. Minister, and I am paraphrasing it: "We can't wait for the perfect plan or to have everything in the plan in place. We need action now."

**Mr. Singer:** That was the day he was appointed, was it?



**Mr. Hall:** No, that was later. The municipal liaison committee has expressed its deep concern with OHAP. Their study of OHAP contains very useful material. I commend it to the minister and hope that he will study it. On page 16 of the study, figures were quoted for the Oshawa study showing an average deficit for a housing unit under OHAP for the municipality of approximately \$461 per annum.

This is the underlying problem, to get sufficient moderate-cost housing produced. This is the reason municipalities all over this province erect barriers to housing development. This is the problem that you have refused to address, or certainly haven't solved. As one of the municipal aldermen expressed it, a grant under OHAP of up to \$600 per year is not enough to seed one acre of parkland.

There are three basic problems inhibiting production of adequate housing. I know what they are, and I hope you know what they are.

[9:30]

**Mr. Singer:** Tell him in case he has missed it.

**An hon. member:** Here we go.

**Mr. Hall:** First, insufficient serviced land. Second, the municipal financial problem.

**Mr. Makarchuk:** That is a lot of nonsense.

**Mr. Mancini:** Tell us your great policy.

**Mr. Hall:** Third, high interest rates.

On the subject of land: Over the past few years at every possible opportunity we have urged you to get land serviced and on to the market—stop banking it and service it. This province suffers from a continuing and serious shortage of serviced land. Peter Martin made this abundantly clear. I quote page 2 of his speech to HUDAC:

The shortage of serviced land has been identified by a number of studies, including the Ontario Housing task force as the single, largest block in the path of housing and stable housing prices.

"The single, largest block." The result is, of course, land prices out of all proportion to the housing that needs to be built. Over the past year, on different occasions, the Liberal caucus has requested that a provincial land inventory be set up to catalogue the amount and location of land that is serviced, land that is close to being serviced, and land capable of being serviced.

We would ask the minister to tell us whether or not there is any intention on his part to develop such an inventory, so that we may begin to tackle this problem in a systematic way.

**Mr. Singer:** Max Henderson asked the same question.

**Mr. Hall:** Our latest figures indicate that the government has approximately 100,000 acres of land in its landbank. Millions of dollars are tied up in that land. When do you intend to get it serviced and on the market? Will you give us the figures? What is the average price per acre paid for the land? What is the total investment in that land?

On what basis do you intend to market banked land? Will you follow the pattern set in Malvern where the price charged under the HOME plan, no matter how you try to disguise it by elaborate mortgage repayment plans, is a high market price?

Consider for one moment the most recent offer of HOME lots and houses in Malvern. According to my information the price of lots range from \$22,000 for a townhouse lot to \$36,000 for a 50-ft lot for a single-family dwelling. This land was acquired mostly by expropriation for \$800 to \$1,200 per acre, as I understand it. For 20 years it remained in the landbank. If ever an opportunity has existed to market land at a reasonable price, this is the chance.

This government has not been interested in bringing down the price of land. It acts as any other speculator in the land development business—probably the largest by far—and \$36,000 for a 50-ft lot is inexcusable. By assigning the highest market values to land, the government is guilty of sustaining high, inflated land prices.

The government created the policies that resulted in a scarcity of serviced land and high prices; now it is the government that reaps the windfall gain by selling its land at those high market prices. What possible argument can the government advance to rationalize this misuse of government authority? Our housing continues to be hampered by the lack of a provincial land-use and development plan—a plan promised by this government for the last three years, at least.

Regions and municipalities tell us that they are planning in a vacuum. There are no clear, defined provincial guidelines for the development of official plans, and the exercise and control is arbitrary and ad hoc.

Mr. Minister, I'm somewhat familiar with the region of Niagara, and if you will bear with me I'd like to outline the recent history of planning in this particular area. I believe the facts to be generally accurate, although I do have inside knowledge—and I hope you will correct any discrepancies.

Of all the anticipated benefits of regional government, the most highly touted benefit was the improved planning which would ensue from regional government. Regional government came into existence in January, 1970, and in Niagara they requested an official plan in four years, by Dec. 31, 1973. When the new government was in place, the staff was organized and reports were initiated to prepare the official plans. Applications were invited from competent planning consultants. Two semi-finalists were paid \$10,000 each to prepare an approach outline.

The regional council selected one firm and contracted with it to prepare an official plan. The consultant made an extensive survey of the region, preparing data on economics, transportation, population growth, service and capabilities, roads, etc.

The consultant arranged for input from selected groups of citizens in all areas of the region. The consultant then evolved two or three alternative concepts through development, and after due consideration and more citizen input and review, drew up the basic official plan and submitted it to the regional council.

The council had 110,000 copies of the plan printed and circulated to ratepayers, so I am told. Some criticism was received and council finally decided that its own staff would modify the plan further. They discontinued using the consultant, having paid out some \$250,000 to the consultant, according to my information.

The planning staff of the region had its work cut out for it and received very little guidance from the minister responsible. It did not meet the Dec. 31, 1973 deadline. The result was that an urban boundary map was not submitted until Oct. 31, 1974.

It appears that the ministry has struggled to develop clear cut guidelines concerning conflicting demands for agricultural and housing land use. In May, 1975, a meeting was held with the Minister of Agriculture and Food, the Hon. Robert Welch, the Hon. Darcy McKeough, the chairman of the Niagara Escarpment Commission, the Minister of Housing, the chairman of the Niagara region and supporting staff members, and the whole matter was discussed in some depth.

On Sept. 8, 1975, the hon. Mr. Irvine, then Minister of Housing, advised the chairman of the Niagara region that the proposed official plan was unacceptable, primarily because too much agricultural land had been included in the proposed urban boundaries. As I understand it, of specific concern was the area on the west side of St Catharines. And the regional planners had essentially included and set out an official plan of the city of St. Catharines, which plan had been approved earlier by the appropriate ministry.

In summary, regional government was created in a large measure to improve the planning process. Assistance was expected to bring an effective, decentralized form of government. The Niagara region have paid out, as I understand it, \$270,000 to consultants, as well as unknown staff costs of an obviously substantial nature. Niagara region has received no specific grants for this responsibility.

In the Niagara region, six years have now gone by and there is no official plan—two years past the mandate of the legislation, which was four years.

Mr. Minister, I don't raise this to provoke your ministry, or add to the burden of the Niagara region, but I am looking for answers, because surely this is unsatisfactory. It is another example of the absence of an overall development policy within the framework of which an area can proceed to do its own local planning.

Certainly, Mr. Minister, prime agricultural land must be conserved, we all agree to that. But why, in the absence of an overall plan or land-use policy, does your ministry not work along with the local planners? Instead, it acts much like a teacher marking an essay. It keeps sending drafts back until they get them right—without saying what you want. And if you don't know what you want, without letting them use their judgement so the plan can be completed.

So far under regional government we continue to have centralized government with decentralized blame. In the same vein, Mr. Minister, I can tell you that a revision to the official plan of zoning bylaw for the town of Grimsby took between four and five years to accomplish. Local development was naturally left in limbo because of the delay.

The present standards for land servicing demanded by this government are in many instances too high, too rigid and often inappropriate. They work against the production of reasonably-priced housing. I can speak on this out of my own experience as a builder.



In 1954, the services required of a builder in a subdivision over our way were a basic road—that's a roadbed with a gravel top; the water mains were debentured; street lighting was paid for by the municipality when sufficient residents were living on the street; the minimum size of house was 600 sq ft. In 1975, here are typical requirements—

**Hon. Mr. Rhodes:** Don't blame the province for these though.

**Mr. Hall:** I am trying to develop a point here, Mr. Chairman.

**Mr. Cassidy:** You have sat idly by.

**Mr. Chairman:** Allow the member to continue.

**Mr. Hall:** These are, first of all, services which are all fully paid for—

**Mr. Mancini:** It is his first job; good chairman.

**Mr. Hall:** —water mains, sanitary sewers, storm sewers, asphalt roads, concrete curbs, sidewalks, street lights, underground hydro, tree planting, together with the updating of services on boundary streets, downstream or off-site hookups for water and sanitary and storm sewers, capital impost fees, 100 per cent performance bonding, five per cent park dedication calculated on the cash-in-lieu basis which will produce the highest revenue to the municipality; naturally all municipal engineering and inspection costs and legal fees; and housing requirements of 1,050 sq ft to 1,100 sq ft minimum size in low zoning categories, with house sizing as high as 1,800 sq ft minimum in the higher zoning categories; and many, many other requirements involving cost.

I am not suggesting that we go back to the standards of the 1950s. I am suggesting that we must begin to think realistically about servicing standards if we are ever to produce housing we can afford.

The decision to preserve prime agricultural land, or more correctly the general feeling that you should, but really haven't acted on it, adds to the problem of house production.

**Mr. Eaton:** Could the member tell us if he is in favour of putting up houses in St. Catharines now?

**Mr. Chairman:** Could we let the member continue?

**Mr. Riddell:** A little bit of order. Good chairman; the kiss of death.

**Mr. Hall:** This problem about agricultural land you are wrestling with adds to the problem of house production, which is the concern of your ministry. What initiatives are under way to permit development of less than prime land on a basis that doesn't break everyone? In many instances, the poorer soils are difficult or impossible to furnish with full services, including water, sanitary and storm sewers. I am no geographer, but I understand that moraines and drumlins and lack of easily developed watersheds make servicing very costly. So, if housing is to cost less, if agriculture is to be preserved, if lower quality land is to be utilized, servicing standards must be altered.

As a case in point, the Department of Highways decision in 1965, I believe, that municipalities would not get road grants if new roads didn't have storm sewers, was great for the Department of Highways.

**Mr. Lawlor:** Do you recommend moving in on the municipalities? I quite agree with you.

**Mr. Chairman:** Order.

**Mr. Lawlor:** He's a good Liberal.

**Mr. Chairman:** I will ask the minister to desist.

**Hon. Mr. Rhodes:** Minister?

**Mr. Chairman:** Did I say minister? Member, sorry.

**An hon. member:** Minister indeed; he's a priest.

**Mr. Riddell:** Oh, he's a good chairman.

**Mr. Chairman:** Will you allow the member for Lincoln to carry on?

**Mr. Hall:** Thank you, Mr. Chairman.

**Mr. Singer:** That's a very good way of dealing with Lawlor, you know that.

**Mr. Mancini:** He doesn't ask any questions. He just raises all the objections.

**Mr. Chairman:** The member for Lincoln has the floor.

**Mr. Hall:** I was saying that the 1965 decision of the Department of Highways that municipalities would not get road grants if new roads didn't have storm sewers was great for the Department of Highways, but it raised the cost of lot servicing enormously. It has been an impediment to house development and it has hurt your ministry's goals.



Further, the concept of carrying storm water everywhere in a pipe means faster collection of run-off and has probably been instrumental in the higher water levels on Lake Ontario.

Sanitary sewage systems of a sophisticated nature with even secondary treatment which still doesn't completely purify are very costly and encounter years of delay in area consultation, planning and finance sharing and can't be used in many areas because of geography. Unless we modify servicing standards, accept new methods of waste disposal to open up marginal land areas, sufficient housing at reasonable cost will be impossible to achieve.

I refer you to this text, entitled "Recommended Guidelines for Residential Servicing in Ontario," put out by the Ontario Housing Advisory Committee in December, 1973. This report represents more than two years of study to provide municipalities of Ontario and the housing industry with a design guide for municipal services. The report concluded that there was a need for province-wide guidelines and standards for residential servicing. It suggested techniques and standards whereby cost savings of up to 20 per cent would be made.

The report recommended, among other things, that this report be circulated by the province to all municipalities in Ontario as a guide to adequate residential servicing standards and practices. It recommended:

That existing provincial policies and standards on residential servicing, such as road widths, pipe materials, design procedures, etc., which are in contradiction with this report, be reviewed. That greater flexibility be provided in the servicing of residential areas with a view toward allowing new ideas in reducing costs without sacrificing levels of service.

I would like to know whether these recommendations were acted upon.

On the subject of municipal finance, we are all aware that because the province has refused to address itself to the underlying cause of municipal resistance to new housing—namely, the municipal finance problem—local governments all over this province are erecting barriers through zoning requirements, official plan requirements, servicing standards and impost fees to frustrate attempts to add housing. Municipalities are forced to do assessment planning and the result is very high—unrealistically high land costs and large and expensive houses. Fifty and 60 ft lot frontages contribute tremen-

dously to urban sprawl. However, in the interests of keeping densities down and assessments up municipalities force development which adds enormously to the cost of sewers, water mains and transportation.

The inability of the municipalities to meet the costs of servicing—and I refer to both hard and soft—converges with the demands of the normal growth, slow growth advocates. Municipalities adopt mechanisms to stall housing developments—slow approval processes, high standards and so on. You are familiar with the whole long recital.

However, I am concerned about the people who haven't arrived in the communities. Who speaks for them and their rights to have a home when they have not yet got there? A recent government announcement of decreased support for municipal governments next year will work against the production of new housing.

The recent changes in the Assessment Act to relieve owners of condominium units from excessively high rates of property taxes will work against new housing. In many urban areas virtually the only moderate cost housing acceptable to those municipal councils has been condominium housing because of its greater property tax yield. This is most unfair to condominium owners but for the municipality it has been a solution of necessity.

In the Metro area, moderate-cost housing schemes, both federal and provincial, relied upon condominium housing. We fear very much that the municipalities will become as hostile to condominiums as they are to moderate-cost, single-family dwellings unless this government moves to compensate local governments. I urge you to rethink your present announced position of decreasing support for local governments.

On the subject of mortgages and interest rates, high interest rates are seriously affecting the average family's ability to carry the monthly charges for a home. Our party believes in home ownership. No other activity of this government would contribute more to the stability and security of our towns and cities than extending the right of home ownership to a far broader sector of our population. Our society is based on the concept of a small, property-owning democracy. Opportunity for equity build-up, security of tenure and an economic stake in the community must remain a viable option for Ontario families.

However, the exigencies of an election campaign forced the government to promise

some assistance with high interest rates. I notice that the Star recently indicated that now the election is over the minister is considerably less enthusiastic about the subject of interest rate relief, once again saying let Ottawa do it.

Our tax credits do not come within the purview of the Ministry of Housing. I refer to it here because we are very concerned. Last summer it was reported that the government initiated talks with banks and insurance companies to persuade them to channel more money into government-subsidized mortgages. Success was reported. Then on Nov. 4 the Treasurer (Mr. McKeough) reported:

It is my recollection that they committed something in excess of \$250 million, if memory serves me correctly, over and above what they were already committing. I don't think it has all been taken up because it ran right into interest rates. The problem in the last two or three months has not been the availability of funds from the lending institutions; the problem in the residential market, both in terms of single-family housing and rental housing, has been interest rates.

What do you intend to do about it? What does this government intend to do about the mortgage interest rate assistance that was promised? Are you going to pretend that the federal programme will answer our needs here?

On the subject of home warranties, we're getting contradictory information. The Sudbury paper in August reported that the Minister of Housing had pledged to develop an Ontario scheme for home warranties if a federal plan is not forthcoming. It is obvious that a federal scheme is not forthcoming and, in fact, several of the provinces are moving to establish their own programmes.

**Hon. Mr. Rhodes:** It is coming.

**Mr. Hall:** Last week at the Provincial-Municipal Liaison Committee meeting the Treasurer indicated, and I quote: "The plan is in limbo." What does that mean? Where is "in limbo"? This is the Treasurer of the province saying it is in limbo and we want an explanation. We need a system of home warranties. Much of the industry welcomes such a scheme, so why do we continue to drag our feet?

The immense failure of government housing has resulted in extreme shortages of

accommodation, including rental accommodation. The pressure on the market is such that controls have become necessary. The financial inability of families to get out of rental accommodation into a home of their own is causing a backup of families in apartment buildings and further aggravating a bad situation. Unless we begin to construct sufficient housing at affordable prices, toleration for this form of government will cease. I say this to you in all sincerity.

I quote from Hansard, page 5224, Nov. 13, 1974. This page included, in part, a statement by the Minister of Housing that there was \$500,000 in the estimates for assistance to municipalities wishing to proceed with official plans and zoning bylaws but which do not have the funds, in the opinion of the ministry, to proceed.

It does seem to me that the problem of preparation of official plans and zoning bylaws by individual municipalities can be greatly expedited with considerable saving in cost if a different approach is used. As I understand it, most communities up until now have been requested by the government to prepare official plans and zoning bylaws or revise them, but have had little or no financial assistance and therefore have had to spend their own money. Invariably, they engaged an outside planning consultant. Generally speaking, there has been very little guidance given by the ministry as to what was required and the process is slow to develop because of the high cost of preparing a decent plan. This situation is a bonanza for private planning consultants.

I suggest to you that a single source, certainly a ministry agency, would be acceptable. It could set out a fair schedule and all the details going into the zoning requirements of a specific zone for a specific area—that is to say, lot frontage; lot depth, therefore lot area; set-backs for front yards, side yards, rear yards; percentage of lot area used; size of house, etc.

Once and for all, four, six, eight, 10 or 12 residential categories were established and similarly in commercial and industrial and zoning categories a choice was established. They were well thought out and then made available to each municipality so they can choose residential categories one, three, nine, and seven, or what have you, in commercial categories—pick from the bag.

Piecemeal construction of zoning regulations by individual planning consultants would be eliminated. There would be a greater measure of uniformity across the



province and there would be less cost to the municipality by reason of cutting down the amount of work required to be done. Approval of initial plans or revisions would be expedited.

I would suggest further that many improvements can be made in the area of text of official plans, by having a lot of the material stated clearly and being well done once only, then being made available for use by municipalities. Therefore I believe that if the ministry wishes to control the content of official plans and zoning bylaws, and wishes to expedite such plans and time-frames so that housing can be created, then the ministry should assume the financial burden and the preparation of the plans which now rest on the shoulders of local municipalities.

Clearly, Mr. Minister, what merits more consideration is to have a clearcut province-wide development plan established wherever local land-use plans can be established and implemented without constant control from the ministry.

**Mr. Cassidy:** How does this fit in with municipal autonomy?

**Mr. Hall:** We have been wanting a long-term plan for quite a while.

**Mr. Cassidy:** We have said that.

**Mr. Chairman:** I think we can begin this discussion later on. Let the member complete his remarks.

**Mr. Mancini:** You will be minister soon.

**Mr. Hall:** I would like to get some understanding of how the Housing ministry's planning functions relate to the planning role played by the Ministry of Treasury, Economics and Intergovernmental Affairs and the urban and regional planning division of that ministry. Looking at the staff as listed in the government telephone directory and the estimates for 1975-1976, I see that \$7,531,000 is supplied for urban and regional planning, up almost \$2 million from the previous year.

How does all this tie in with the Ministry of Housing? Does the ministry for TEIGA control your planning, or is there a logical division of labour, or is there a teeter-totter—a counter-productive effect of two planning groups?

The reason I ask whether your ministry is controlled is because on page 6596 of Hansard, Dec. 18, 1974, the former Minister of Housing says, in part:

There was to be an overall plan for development throughout all of Ontario which the Treasurer will be announcing in the not too distant future.

It sounds like the Treasurer is doing the planning. Then Hansard, same page, goes on:

For those municipalities that wish to expand and wish to have finances provided, I am quite confident that it will be done.

I am compelled to ask, where is this plan? Is it ready now or is the future still distant? And how does the quote about finances being extended relate to the Treasurer's recent statement of less fund-sharing for municipalities in 1976?

The scrutiny of Housing estimates is something akin to a review of the Dead Sea scrolls, coming when the money has been approved in the last Parliament. However, I hope that some fruitful discussion will develop.

[10:00]

If any suggestions which I have made are of interest to you I am more than willing to talk at greater length after these estimates are finished in the hope of making some contribution toward solving a serious and difficult problem in the province.

**Hon. Mr. Rhodes:** Mr. Chairman, I have listened with a great deal of interest to the comments made by Mr. Cassidy of the New Democrats and Mr. Hall of the Liberal Party. There seems to be one rather common theme from both gentlemen in their remarks, one being—

**Mr. Lawlor:** There ain't no houses.

**Hon. Mr. Rhodes:** —let's take over and chase the municipalities out of existence and have the province run them.

**Mr. Singer:** I didn't hear that.

**Hon. Mr. Rhodes:** That seems to be the general trend. I made several notes as they went along. Certainly, Mr. Cassidy on more than one occasion talked about the fact that the province had not intervened with the municipalities to tell them what densities they could have in their municipalities, they talked about servicing. Mr. Hall is suggesting that the standard of servicing is too high, the size of lots should be less than the 60 ft and also the fact that the densities were too low.

**Mr. Singer:** Do you think you can do that?

**Hon. Mr. Rhodes:** I frankly can't disagree with Mr. Hall on that particular point. It is a point that I think I made in the past—



before I ever became involved in this particular position—that the standards that are being imposed by municipalities are quite high. But I think it is fair to say that maybe centres—

**Mr. Singer:** Blushing, the OMB takes its direction from the ministry.

**Hon. Mr. Rhodes:** Well again, the hon. member knows full well that the OMB is not part of my ministry. He has been asking the Attorney General questions about it long enough. He knows what ministry it belongs in.

**Mr. Singer:** But Al Kennedy admits quite frankly that throughout his whole practice he accepted ministry direction.

**Mr. Chairman:** Order, please. Let the minister continue, please.

**Hon. Mr. Rhodes:** I don't think anyone is going to disagree that the standards that have been developed in municipalities have led to lower densities, cut down on the number of units that perhaps can be built in these communities. But why were these particular standards arrived at? You would like to blame it back on the provincial direction, the provincial plan. I think that is correct.

**Mr. Singer:** No.

**Hon. Mr. Rhodes:** But it is an attitude that has been developed over the last number of years.

**Mr. Singer:** Because Al Kennedy said so doesn't mean anything.

**Hon. Mr. Rhodes:** Mr. Chairman, the member for—

**Mr. Singer:** Wilson Heights, next to Sault Ste. Marie.

**Hon. Mr. Rhodes:** —has had a lot to say all evening and none of it too productive.

**Mr. Singer:** I haven't said a word all night. I have been waiting for you, anxiously.

**Hon. Mr. Rhodes:** I have been here since 5 o'clock with one or two interruptions.

**Mr. Singer:** I have been waiting for you.

**Hon. Mr. Rhodes:** I have been waiting for you.

**Mr. Singer:** All right, let's wait for each other. Why don't you build houses?

**Hon. Mr. Rhodes:** Why don't you sit quietly by and I'll give you a chance?

**Mr. Singer:** Thank you.

**Hon. Mr. Rhodes:** You're welcome.

**Mr. Singer:** I am certainly grateful.

**Hon. Mr. Rhodes:** Nice lad.

**Mr. Singer:** And the OMB reflects government policy and that is why you don't build houses.

**Mr. Roy:** Mr. Chairman, can you control that minister?

**Mr. Singer:** Atta boy.

**Mr. Chairman:** I would like to say to the committee that I feel it would be in order if we let the minister complete his remarks and then we can get into this further during vote by vote.

**Hon. Mr. Rhodes:** Thank you, Mr. Chairman, I don't want to be involved in a leadership controversy here—

**Mr. Roy:** Especially when you are supporting me.

**Hon. Mr. Rhodes:** —because I understand if we are not careful you are going to need couches in your caucus, so be careful.

**Mr. Roy:** You just nominate me like you nominated the last Liberal.

**Hon. Mr. Rhodes:** Mr. Chairman, I think we have had an attitude develop right across this country, perhaps in the western world; certainly in Ontario. People have decided that they just aren't going to permit the standards that Mr. Hall referred to as "the 1950s" to carry on. And now, if a municipality attempts to go ahead and develop subdivisions or develop new lots or service new lots, it runs into a fair amount of organized opposition to its proposals.

I will go back, for example, to my time in municipal politics in my own home town. I made a very sincere and honest effort to do some of the things that you suggested, and was reasonably successful at the time to have some of the gilt-edged standards, that Mr. Cassidy referred to, reduced in my own municipality. After a long and lengthy debate, mostly with engineers, but also with other politicians, this was accomplished, getting away from class-A servicing for all these subdivisions in an effort to lower the price of land and to lower the cost of the individual property purchases.

It didn't last because the people in the community objected. They didn't want that. For some reason they seemed to feel that if

you made the developer put all these services in, it didn't cost him anything. Well, you and I know better. Those costs are reflected back in the cost of each of the individual lots and the people pay for it anyway. But these people did not want this to happen. They would not permit us to carry on with this type of subdivision development.

The environmentalists have come along now and demanded that there be complete environmental hearings, and quite properly so, before anything is done. Agriculturalists have said that you cannot build homes on land that can be good for growing food in this province. We're all certainly not going to be opposed to that.

**Mr. Eaton:** Is he for saving that land? He won't say whether he is or not.

**Hon. Mr. Rhodes:** When you refer to the Niagara regional plan, I have seen the Niagara region official plan and there's no question about it one of the real concerns is the amount of agricultural land that was to be used up. The Ministry of Agriculture and Food has quite properly challenged that particular official plan and has said it wants to discuss it both with the Ministry of Housing and with the planning people from the Niagara region. That we are going to do, I have talked to the regional people, the planning people, and there will be a meeting of the two ministries and the regional planners to look at what the problem is there.

We have to determine in our minds what we are going to do. Are we going to save the agricultural land, as we probably should, and in the Niagara area in particular? We've had many people come to us and say, "No more housing, no more anything in that area because of the fruitlands that have to be saved." So can one put all of the blame solely on the Ministry of Housing for the lack of subdivisions being approved? There are a great number of causes of delays and it is not the ministry—

**Mr. Singer:** Terribly unfair.

**Hon. Mr. Rhodes:** I am not saying it's unfair, but it certainly isn't reasonable.

Interjection.

**Hon. Mr. Rhodes:** Are you a member of this committee?

**Mr. Singer:** He's a member of the House.

**Hon. Mr. Rhodes:** I know, but he's interjecting and that's not nice.

**Mr. Singer:** Well, he can interject. He was elected the same as you were. He's a fine man. His name is Conway, from Renfrew.

**Hon. Mr. Rhodes:** Mr. Chairman, I intend to complete my remarks and I don't care if we sit here for the whole four days.

**Mr. Singer:** Well, let's sit here.

**Hon. Mr. Rhodes:** It doesn't matter to me.

**Mr. Singer:** Don't pick on Conway. He's a good fellow.

**Hon. Mr. Rhodes:** I didn't even know his name. His name is Conway?

**Mr. Singer:** Yes, from Renfrew. He beat a Tory there.

**Mr. Eaton:** He's the one who talked about loans—the \$500,000 loan from the federal Liberals, eh?

**Mrs. Campbell:** Give him the right to reply, Mr. Chairman.

**Mr. Hall:** Mr. Chairman, I wonder if the minister would let me make a point of clarification on his most recent comments.

**Mr. Wildman:** Mr. Chairman, there seem to be a large number of interjections from that area. Can we continue?

**Mr. Mancini:** That is the biggest bunch of windbags in the House you are talking about.

**Mr. Chairman:** Order, please, will the minister continue?

**Hon. Mr. Rhodes:** Thank you, Mr. Chairman. Mr. Cassidy referred to the policy as it relates to land. I recognize that the policy that you put forth on numerous occasions is that the New Democratic Party apparently does not believe in ownership of land. You believe that land should be a utility, that land should belong to the state. I personally, and I think there are many others, just reject that philosophy that land should be owned by the state. There should be ownership of a home and ownership of land by people. It's a right of the individual. People want to have the right of ownership and people want to own their homes.

**Mr. Lawlor:** That is your position too.

**Hon. Mr. Rhodes:** As to the criticism of the Home Ownership Made Easy plan, that's exactly what it says: home ownership, not

home leasing, not home renting. The proposal you put forth, Mr. Cassidy, of saying that we should change the policy of HOME, that the lot should revert again to the province, to be sold to someone else at this, as you suggest, book value: What happens then to the individual who perhaps lives in the home for two or three years and is now moving out and wants to go and acquire land somewhere else and acquire a home somewhere else? He hasn't been able to build the equity in the land which everyone else in the area who wasn't on one of these leased properties would have been building. I know what your philosophy will be. You'll say he should be able to have the same type of lot and home, owned by the government, anywhere he wants to go in the Province of Ontario.

**Mr. Cassidy:** That is what I'm going to say.

**Hon. Mr. Rhodes:** That is universal land ownership and home ownership. The whole province becomes a province of renters and leasers and the state supplies wall-to-wall housing for everybody in the province; nobody owns anything. Some bureaucrat sits here in Queen's Park—heaven forbid, under a New Democratic government—saying “Mr. Jones, you can move to Timmins. Mr. Smith, you can go to Cornwall, because we happen to have a home there for you.”

**Mr. Cassidy:** You better believe it.

**Hon. Mr. Rhodes:** That is a philosophy which I would not buy.

**Mr. Cassidy:** Come on. Joe Berman sits in his office with \$3 million worth of houses making that decision now.

**Hon. Mr. Rhodes:** Let's not talk about houses because you should discuss the price of houses and inflation in the price of houses with your own leader. He has some experience in the price of houses going up.

**Mr. Mancini:** Yes, he does.

**Mr. Lawlor:** That's if it sells.

**Hon. Mr. Rhodes:** But it's right on.

**Mr. Singer:** That's equal to asking Conway if he's a member of the Legislature.

**Hon. Mr. Rhodes:** There are numerous reasons why we're had difficulties with a number of these programmes. One of the reasons obviously has been we aren't suddenly going to go out and dictate to the municipali-

ties. The Liberal Party in particular, I think, would object to that sort of approach; I would hope so anyway. At least that was what was expounded certainly during the campaign; local autonomy.

It's difficult, I suggest, for the Minister of Housing or the government to go to a municipality and say, “You must change your zoning procedures. You must change the standards you want for your particular subdivisions. You must permit something different from what you have decided within your own municipality.”

We are obligated, I suggest, to continue to go through the process of public participation. That is a costly factor and a time-consuming action as well. I know from my own experience in my former ministry that great delays took place while we went through the process of listening to people who would be affected by the type of programmes we were proposing, especially as it was on highway or road development.

I can tell you, too, that on each of the projects 25 per cent of the increased costs was in order to carry out a good, adequate public participation programme, the type people have come to expect.

I mentioned my feeling about gilt-edged services. I think there is room here if we can convince municipalities and the people in those municipalities that these full-fledged services are not really necessary. It was interesting when I recently mentioned this in my own community shortly after I'd taken on this particular job to a gentleman who is the chairman of the housing committee of the Sault Ste. Marie and District Labour Council. He became very upset with me. He said, “No, you must have full services.”

He didn't accept this philosophy that we could have a downgrading of the services and perhaps some smaller lots which would give people a chance to buy homes; and that perhaps even smaller homes be permitted.

I'm not at all disagreeing with the point made by Mr. Cassidy that you could have a very comfortable livable home which does not have to have all the amenities you mentioned a little earlier—the two fireplaces and the full recreation rooms and all of these things. Many people are quite happy and quite satisfied to live in homes which are comfortable, clean and substantial but perhaps don't have all of these extras. These are things which are almost required now in many communities and in some subdivision agreements even. It's got to the point where you can't even put an aerial to pick up television on the top of



your house any more under some subdivision agreements.

**Mr. Singer:** The Municipal Board supports all this.

**Hon. Mr. Rhodes:** It may be but there is another fact. You talk about the Ontario Municipal Board and you and I know that many subdivision proposals which have been made in many communities find objectors—as few as one and as many as a thousand—who will take those matters to the Ontario Municipal Board, which is their right. That again will delay the procedures.

**Mr. Singer:** They reflect government opinion and Kennedy said so time after time.

**Hon. Mr. Rhodes:** That may be, but I would draw to your attention, in case you've missed it, that Mr. Kennedy is no longer there.

**Mr. Singer:** Wronski was an Etobicoke planning director and he knows that full well, just as well as I do.

**Hon. Mr. Rhodes:** It may well be but I don't believe that the Ontario Municipal Board reflects government policy. I think it listens to the arguments and the presentations made. I would like to continue to believe that it is dealing with these things.

**Mr. Lawlor:** I wish Kennedy would get back there.

**Mr. Cassidy:** They're totally irresponsible in that case, which I have often suspected.

**Mr. Makarchuk:** Which is government policy.

[10:15]

**Hon. Mr. Rhodes:** I want to come back to the comment made on the \$1,500 first home buyer's grant. It came in for criticism during the debate. There is no question in my mind at all that the government erred in not putting a ceiling on the value of a home that could be purchased with that \$1,500 first home buyer's grant. The figures Mr. Cassidy put forth to me during the debate are figures for which I have no answer. I do not believe any one who is buying a \$120,000 or \$150,000 home by any stretch of the imagination needs \$1,500 to assist him to get it. I would suggest those homes would well have been built without that \$1,500.

**Mr. Cassidy:** I think so.

**Hon. Mr. Rhodes:** The truth of the matter is that the figures will show us that on the average that \$1,500 grant went across the province to homes valued at \$39,000, the same type of home that was probably listing in multiple listing for about \$48,000. We do think we made some real progress in that area, albeit you can select cases in various parts of the province on which as I say I have no answer. I think it is not right, but it's history and you can't do too much about it; however that \$1,500 grant helped a lot of people to buy smaller homes. It assisted people who wanted to buy mobile homes in some parts of the province where that is for them the best type of accommodation they can get.

**Mr. Riddell:** Is that programme going to be extended beyond the end of the year?

**Hon. Mr. Rhodes:** That is not a decision for me to make as the minister. I think it has been successful and has done what it was intended to do. It perhaps needs some modifications, but those people were able to buy homes, and many new homes, despite your comment about having more homes available. I know from my own personal experience of people who did start new homes and in some cases bought condominiums here in the Metro area using the \$1,500 as part of their initial downpayment and in some cases the total initial downpayment.

Part of our problem, and a very real problem, is the one touched on by Mr. Hall. That is the cost of money, the interest rates. It is very simple to sit and say to the province do something about the interest rates. I think we have done something about the interest rates, perhaps not as much as should be and perhaps not as much as is needed. But we do subsidize; we do attempt to keep those interest rates down for people.

I am not hanging my hat on the federal programme, as you suggest, but I am willing and more than willing to co-operate with that programme. I have talked with Mr. Danson. I have said before and I say again that I think he sincerely wants to do something and do something right. I am prepared to co-operate with the man and make his programmes work. Sure there are all kinds of holes in it. I am sure we can all find some loopholes and some weaknesses in his programme, but I think he is making an honest effort to do something about it. We would like to co-operate with him.

We want to get the lending institutions into the mortgage field. We have agreed with the federal government that we would take the same action they will take with lending institutions to see that they do put more money into the mortgage field. When the Bank of Canada puts the interest rate up over 12 per cent, it sets a sort of a benchmark for what the interest rates are going to be unless we can have tremendous sums of money generated in the province to put into that, to subsidize it; and surely pure subsidies are not what is required.

**Mr. Hall:** Lower-cost housing.

**Hon. Mr. Rhodes:** Or lower-cost housing. But how are we going to lower the cost of housing? In your remarks you said there is no shortage of material and no shortage of labour. I am not sure whether you said shortage of land or not. There is a shortage of serviced land but no shortage of land. The one thing there is a distinct shortage of is money at a reasonable price and price that can be afforded.

**Mr. Hall:** Because of the way the cost of these things have soared.

**Hon. Mr. Rhodes:** Right.

**Mr. Hall:** But I reiterate that there are reasons why it has soared.

**Hon. Mr. Rhodes:** Would you say those reasons are the responsibility, the total responsibility, of this government or of this ministry?

**Mr. Hall:** No, I don't agree with that at all. I am here to assist in pointing out what I consider problem areas. I am not here to provoke your ministry. I am involved because I want to see if this situation can be made better.

**Mr. Cassidy:** Mr. Minister, you have an easy time from him.

**Hon. Mr. Rhodes:** This ministry wants more than—I won't say more than but certainly as much as—anyone else in this room or in this province to see more housing starts. If we can successfully have more land available for development, if we can get more land serviced, if those things can be done, and we'll do everything we can to assist that, we're certainly going to go ahead and do it. But when you have certain municipalities—I won't name them here at this time, but some of them are not too far away—that tell us quite openly they don't want any

more growth, and they pass bylaws within that municipality to prevent any more growth, then there's not much we can do—unless the provincial government takes the step that is advocated by some and steps in and overrules those municipalities, tells their elected councils they aren't competent and tells the people in the community that they've elected the wrong people, I can't do that and I won't do it.

**Mr. Hall:** I think the government has to find a way of taking the property tax burden off the municipalities' shoulders. The reason they put up resistance is because of the cost to them of residential population.

**Hon. Mr. Rhodes:** Are you telling me that it was a property tax burden that resulted in a bylaw that limits building in downtown Toronto to 45 ft? Is that right?

**Mr. Lawlor:** That is a different problem.

**Hon. Mr. Rhodes:** Ah, it's a different problem.

**Mr. Singer:** Come on. You are arguing that apples equal oranges.

**Hon. Mr. Rhodes:** You want to have it both ways. You want to support the no-growth philosophy and support the growth philosophy. You want to support the saving of agricultural land and you purport to build 100,000 units. Are you going to hang them in the sky?

**Mr. Lawlor:** You bring yourself into disrepute with that type of argument.

**Hon. Mr. Rhodes:** You can't have it both ways. We've tried that and it doesn't work.

**Mr. Lawlor:** You have urban lands that you yourself are sitting on and you do nothing with them.

**Hon. Mr. Rhodes:** It doesn't work. If the municipalities are not going to co-operate with us, we'll have a great deal of difficulty.

**Mr. Cassidy:** But when they got bludgeoned into having the over-concentration of growth that Toronto has had, they had no other choice because they didn't have the planning tools you have and didn't use. They come along with a 45-ft bylaw in order to get some time to look at the situation and to try to get on to a different track.

**Mr. Singer:** You've got to divide on your non sequitur; the two things are not related at all.

**Hon. Mr. Rhodes:** It's amazing. It depends on which horse you're trying to ride and the particular municipality as to how you get along on these things.

**Mr. Lawlor:** It is a red herring.

**Hon. Mr. Rhodes:** While you will say openly that you would go into other municipalities where 40-ft lots and less than gilt-edged services are acceptable, here you will say something else.

**Mr. Singer:** Come on. As a mayor, you know all about assessment zoning. You know all about the fact that if you don't build places where kids are going to live, it's better for the municipality, so you balance your assessment. You know that. You were a mayor, too.

**Hon. Mr. Rhodes:** Right.

**Mr. Singer:** All right. So don't give us this nonsense about the city of Toronto and 45-ft bylaws. It's all a bunch of baloney.

**Hon. Mr. Rhodes:** Wait a minute. It's not a bunch of baloney and you know it.

**Mr. Singer:** Of course it is.

**Hon. Mr. Rhodes:** It isn't.

**Mr. Singer:** In the Soo you didn't want it any more than we wanted it in North York in its original development days. We didn't want housing that was going to bring in more kids who needed more schools and that was going to put a greater burden on the people.

**Mr. Chairman:** Order, please.

**Mr. Singer:** That's how we had to plan—and you had to plan that way in the Soo.

**Hon. Mr. Rhodes:** That's exactly the point, though, isn't it?

**Mr. Singer:** That's right and you caused it.

**Hon. Mr. Rhodes:** You hit it right on the nose. That is, that municipalities do not want further growth for the very reasons you're talking about.

**Mr. Singer:** They can't afford it.

**Mrs. Campbell:** They can't afford it—and that is your problem, not theirs.

**Mr. Hall:** All we ask is that you recognize the problem. We don't blame you for it.

**Hon. Mr. Rhodes:** We won't get into that area. We won't get into the area of—

**Mr. Cassidy:** You haven't confronted your responsibility either.

**Mr. Chairman:** Order, please.

**Hon. Mr. Rhodes:** You say we haven't confronted it. We have a community planning branch, whose desire it is to assist the municipalities with their planning, but remember they guard their autonomy with a great deal of jealousy; you know that.

The report Mr. Hall referred to which was commissioned by the government, came in and was sent out to all the various municipalities; we asked them to consider it. The staff has met with the municipal engineers. We have a liaison committee set up now with the municipal engineers in the hope of being able to discuss some of these problems with them to get this sort of thing.

**Mr. Hall:** I'm glad to hear it.

**Hon. Mr. Rhodes:** But there's no question right now that this ministry has difficulties in facing up to such things as environmental control and people who do not want anyone building in their particular areas. I think my friend, Bud Wildman, who's my neighbour at home, can tell you that in our own communities, once a person has built a house, his attitude is, if you want to build public housing — for example, rent-geared-to-income housing—build it but build it somewhere else; don't build it next to me.

That's the sort of problems we have. We are prepared to spend money in this area. The money is available. We've been criticized by members right here for not—

**Mr. Wildman:** But maybe if we can get hold of some of the land controlled by the developers in the province, we could build those things.

**Hon. Mr. Rhodes:** Bud, tell me where that land is around our community.

**Mr. Wildman:** I'd sure like to look at some of the assessment rolls.

**Hon. Mr. Rhodes:** My goodness, you have a right to have a look.

**Mr. Hall:** You're free to do so.

**Mr. Duszta:** From now on, you're willing to look seriously at this?

**Hon. Mr. Rhodes:** Fine, I'd love to go and help him.

Interjections.



**Hon. Mr. Rhodes:** Some of the land is privately owned by individuals who aren't developers. They're just individuals who own their land and they've owned it for many years; it's been in the family for many years. They just don't want to develop, they want it left there. They want it that way. They don't want it to be developed, they just want to hang onto it.

**Mr. Duksza:** That is not the Ontario I know.

**Hon. Mr. Rhodes:** These are the people.

**Mr. Duksza:** That is not the Ontario I know, the way you talk, everything owned by small individuals.

**Hon. Mr. Rhodes:** With the greatest respect, you may have spent too much time here.

**Mr. Duksza:** In Toronto.

**Hon. Mr. Rhodes:** In Toronto and other parts of the world.

**Mr. Duksza:** That's right.

**Hon. Mr. Rhodes:** Mr. Chairman, I suppose we could debate this forever, but I did want to make one other point. I know the member for Wilson Heights (Mr. Singer) has made the point many times—in fact both parties have—why have you not spent all of your money? Sometimes you just can't.

**Mr. Roy:** Well I will be darned. You are admitting that you did not. Your predecessor told us we were liars when we told them that.

**Hon. Mr. Rhodes:** There is no question. There have been times when we have not. We have definitely not.

**Mr. Cassidy:** This is the new look.

**Hon. Mr. Rhodes:** During the course of the discussions of all these various votes we have before us we will have an opportunity to discuss that particular point as well.

**Mr. Singer:** As minister I wonder why you would publish a book, because you are going to have it read back at you for the next two days. Fascinating things in here.

**Hon. Mr. Rhodes:** Yes indeed, but that just goes to show you, my friend, that whatever is being done I am not afraid to lay it before you and talk to you about it.

**Mr. Singer:** No, except Ontario Housing records.

**Mrs. Campbell:** We will get to those.

**Mr. Singer:** Yes, we will get to those too, hopefully.

**Hon. Mr. Rhodes:** No you won't.

**Mr. Singer:** Ah hah! There is the big admission.

**Mr. Chairman:** Does that complete the remarks of the minister?

**Mr. Singer:** Their budget and their minutes; we would like to see that.

**Mr. Chairman:** Order, please. It appears we will have a healthy discussion on these estimates over the next few days. I hope we will be able to keep it orderly.

**Hon. Mr. Rhodes:** Mr. Chairman, can I interrupt for a moment? I want to make one request of the committee now that I have you all so friendly. On Tuesday of next week, which I think according to the clock would have been the last day of these estimates, I have been invited to be in Ottawa to meet with Mr. Danson and Mr. Macdonald to discuss—

**Mr. Singer:** He speaks well of you.

**Hon. Mr. Rhodes:** Nice lad.

**Mr. Singer:** Fine lad.

**Mr. Roy:** No more dirty tricks, eh John?

**Hon. Mr. Rhodes:** He mentioned Margaret but he doesn't mention you.

I will be at the will of the committee, but I would respectfully request the committee, if they could see fit, not to sit on the Tuesday and to finish off on the Thursday if that would meet with your approval. Then I would go to that meeting. Otherwise, if not, I will be here Tuesday.

**Mr. Singer:** Will you be here tomorrow morning?

**Hon. Mr. Rhodes:** Yes, sir.

**Mr. Singer:** Oh good. Then I can hardly wait.

**Mr. Eaton:** I am prepared to move that we do not sit on Tuesday and that we sit on Thursday.

**Hon. Mr. Rhodes:** I am hoping something is going to happen.

**Mr. Chairman:** Order, please. It has been moved that—

**Hon. Mr. Rhodes:** Oh, I am sorry; the chairman told me you were sitting tomorrow, I don't know.

**Mr. Chairman:** The committee sits tomorrow and Monday; and we have a motion by Mr. Eaton that the committee—

**Mrs. Campbell:** I thought the rent review bill was up on Thursday, Mr. Chairman. Is there a conflict? I understood from the House leader today that your bills would be before the committee this Thursday.

**Hon. Mr. Rhodes:** I don't know how they possibly can be, Mr. Chairman, and this is why I was a little taken aback. I want to discuss it with the House leader. I feel that bill, in order to be properly advertised for those who would like to be here, should probably not be coming in at least until the following Monday. I think it should wait at least until then before the committee consideration starts.

**Mr. Singer:** It is going to interfere with the election.

**Mr. Cassidy:** That can be arranged through channels, so to speak. I would agree with the minister.

**Hon. Mr. Rhodes:** I just don't think we can advertise it adequately and give all those who would want—

**Mrs. Campbell:** I was just pointing out what was a fact.

**Hon. Mr. Rhodes:** I appreciate that.

**Mr. Chairman:** Mr. Eaton moves that the final day of sitting for the committee on the estimates of the Ministry of Housing be moved forward from next Tuesday until the following Thursday.

Are the members of the committee agreeable?

Motion agreed to.

**Mr. Cassidy:** Mr. Chairman, I just want to raise a couple of points of order. We met for about one hour this afternoon and then we didn't really get going this evening until about 9 o'clock or so. So we have had two and a half hours rather than the five that we could normally have expected for the first day. We have a short day tomorrow, and unless we sit on Monday evening we have a short day on Monday.

Certainly as far as we are concerned four full days would be rather an inadequate time

to consider these estimates, I wonder whether the committee would be open to sitting on Monday evening. I wonder also whether we might ask the House leaders to consider whether today and tomorrow combined might be counted as one day, given the loss of time that was due to other events in the House.

**Mr. Chairman:** That suggestion has been made and—

**Mr. Eaton:** Mr. Chairman, might I suggest that rather than one night we sit the following Friday morning—that's Thursday and Friday morning—which gives us the extra two hours we have lost today?

**Mr. Cassidy:** Mr. Chairman, that would still mean we would have had, in effect, four half days and one full day to sit, which is the equivalent of about three full days. It is still a bit short, although that is better than nothing.

**Hon. Mr. Rhodes:** My own personal feeling on this is that part of the problem of losing the first day lies entirely with yourselves and your caucus. We would have been right out of that hangup on Bill 20 a lot sooner if everybody in the world hadn't decided to speak on it, and drag it out.

**Mr. Chairman:** In reply to—

**Mr. Singer:** This democracy certainly gets us into trouble.

**Mr. Cassidy:** That is an unwarranted comment, Mr. Chairman.

**Mr. Chairman:** Order, please. In reply to Mr. Cassidy's request, I would like to suggest to the committee that I would discuss it with the House leaders tomorrow morning and try to bring a report back to the committee.

**Mr. Cassidy:** Okay.

**Mr. Chairman:** I would like to also advise the committee that this committee is charged with the responsibility of looking into the Workmen's Compensation Board for one day, and that day has been moved from Nov. 26 to Dec. 3, if that is agreeable to the committee. We will sit that Wednesday, two hours in the morning, four hours in the afternoon and probably 2½ hours in the evening.

Yes, Mr. McCague.

**Mr. McCague:** Mr. Chairman, Mr. Cassidy has made a suggestion but I would

like to pose another one, that the time not be curtailed but that we not sit on Monday night.

**Hon. Mr. Rhodes:** You are going to discuss it then, are you?

**Mr. Chairman:** That could be difficult, but I think I had better discuss it with the House leaders.

**Mr. Eaton:** Keep in mind, Mr. Chairman, in your discussions that we would normally plan to be here on the Friday but many people have made plans for Monday night, knowing that the House wouldn't be sitting, because our general rule has been to sit Tuesday and Thursday.

**Mr. McCague:** What about Wednesday?

**Mr. Cassidy:** I know that some of the government members may have wanted to contribute on certain votes. If that is the problem then I am sure that accommodation can be made. If it is just a matter of having somebody in here to keep up a quorum, why, we have used substitution extensively and that might be a way around that particular problem.

**Hon. Mr. Rhodes:** On Monday night?

**Mr. Cassidy:** Yes.

**Hon. Mr. Rhodes:** There is only one other problem too. Some of us have also made plans for Monday night.

**Mr. Cassidy:** I have plans for Monday night for dinner with the Ombudsman, but that doesn't stop the fact that some of my colleagues would like to be invited.

**Mr. Eaton:** That is 6 to 8; not from 8 on.

**Mr. Roy:** What are your plans, John?

**Mr. Chairman:** We have run into problems before, and generally we have discussed it with the House leaders and it has been worked out satisfactorily, so with your permission I will discuss it with them first thing in the morning.

**Mr. Cassidy:** Mr. Chairman, before you adjourn—

**Mr. Eaton:** Do you have any objection to going for the following Friday morning?

**Mr. Cassidy:** Friday? No, well yes, but no. Mr. Chairman, it was my understanding, although I was not in here with the committee at the time, that the hearings on the Workmen's Compensation Board would not necessarily be confined to one day only but could be extended.

**Mr. Chairman:** No, it was suggested by members of the committee that I look into it and discuss it with the House leaders. The House leaders have discussed it and that was the original agreement before the estimates committee was set up. They have agreed to extend it for an evening rather than just a morning and an afternoon, but that's as far as they would take it.

**Mr. Cassidy:** So right now it is—

**Mr. Chairman:** It is for one complete day.

**Mr. Cassidy:** In other words, if—

**Mr. Chairman:** I think we can still have time to discuss this further. It is 10:35 p.m.

The committee adjourned at 10:35 p.m.

# ERRATA

No.	Page	Col.	Line	Should read:
S-13	S-363	1	10	Mr. Reed: In reference to the previous
S-13	S-363	1	27	Mr. Reed: I would like to make a few com-



## CONTENTS

---

Thursday, November 20, 1975

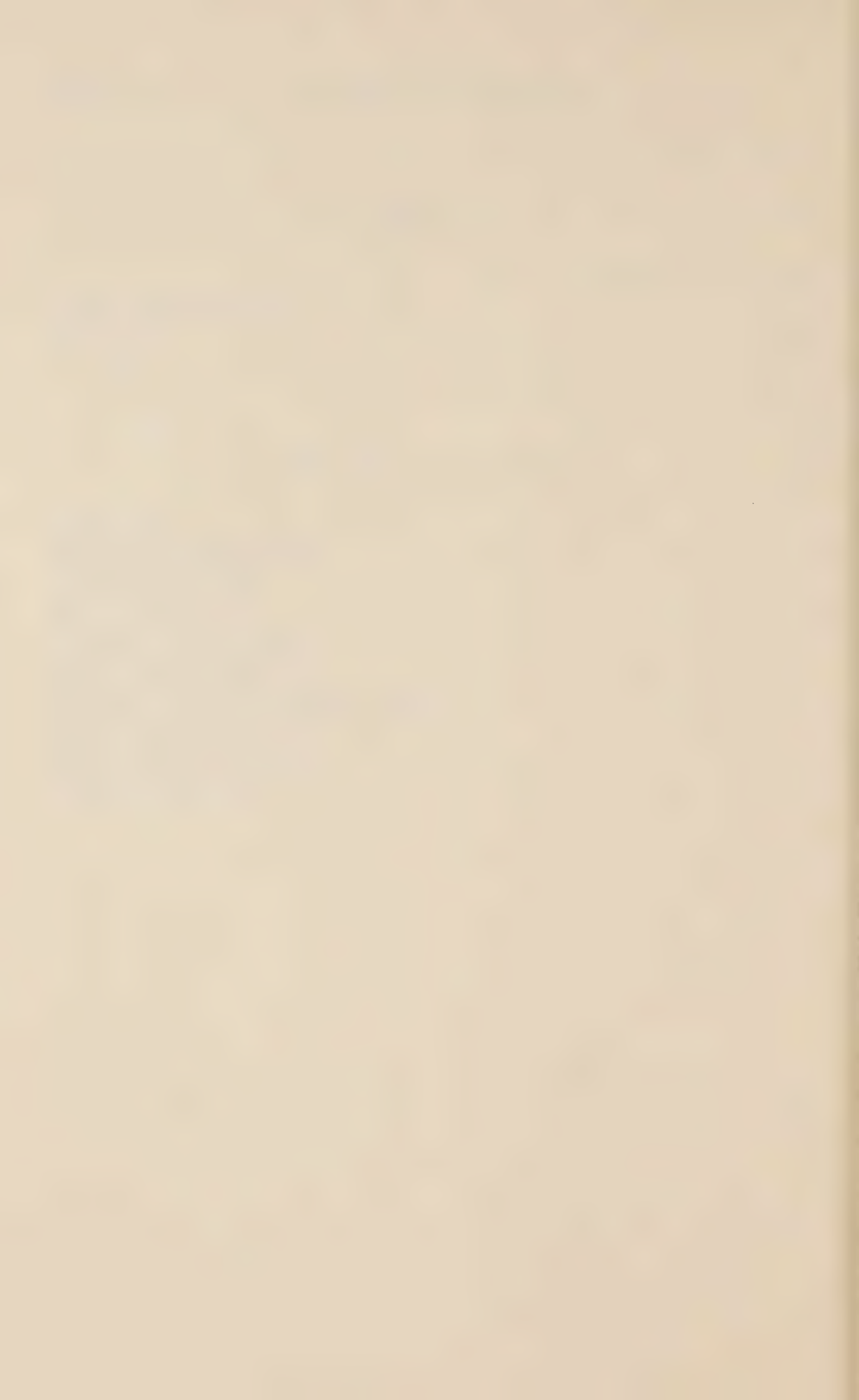
Opening statements, concluded .....	S-491
Adjournment .....	S-513

## SPEAKERS IN THIS ISSUE

---

Campbell, M. (St. George L)  
Cassidy, M. (Ottawa Centre NDP)  
Dukszta, J. (Parkdale NDP)  
Eaton, R. G. (Middlesex PC)  
Hall, R. (Lincoln L)  
Lawlor, P. D. (Lakeshore NDP)  
Makarchuk, M. (Brantford NDP)  
Mancini, R. (Essex South L)  
McCague, G. (Dufferin-Simcoe PC)  
Rhodes, Hon. J. R. Housing (Sault Ste. Marie PC)  
Riddell, J. (Huron-Middlesex L)  
Roy, A. J. (Ottawa East L)  
Singer, V. M. (Wilson Heights L)  
Wildman, B. (Algoma NDP)









Ontario

Government  
Publications

# Legislature of Ontario Debates

**SUPPLY COMMITTEE**

**ESTIMATES, MINISTRY OF HOUSING**

OFFICIAL REPORT — DAILY EDITION

First Session of the Thirtieth Legislature

**Friday, November 21, 1975**

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975

## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MGS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.

## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

---

FRIDAY, NOVEMBER 21, 1975

The committee met at 11:20 a.m.

#### ESTIMATES, MINISTRY OF HOUSING (continued)

**Mr. Chairman:** I will call the committee to order. I see a quorum. I think that it is the way it is stated here.

**Hon. Mr. Rhodes:** The record should show, Mr. Chairman, that there is, in fact, not a quorum here, but we'll carry on. I think it's only fair to say that, because Mr. Cassidy raised the point last night and I think we should raise it again today, that there is, in fact, not a quorum as yet.

**Mr. Cassidy:** I thought it was six plus one?

**Hon. Mr. Rhodes:** Six members. Now we have them. We are all right.

**Mr. Haggerty:** You can see the interest of the NDP.

**Mrs. M. Campbell:** And the Tories.

**Mr. Haggerty:** I must be missing something. What is in the blue book?

**Hon. Mr. Rhodes:** I have a book here for you, somewhere. It may be in your caucus office.

**Mr. Chairman:** To the members of the committee, we now have a quorum. We will commence discussion vote by vote, and I would like to suggest, as I suggested in the previous days of these estimates, that I hope each member will signify to the Chair when he wishes to speak and the Chair will then call that person to speak in order. We will now begin vote 801, item 1. Mr. Singer.

On vote 801:

**Mr. Singer:** Mr. Chairman, I would like to get some clarification about vote 801, and the figures that appear on page G58 of the 1975-1976 estimates as compared with the figures that appear on page G58 of the 1974-1975 estimates. They don't seem to jibe. The total money in 1975-1976 for vote 801 is \$5,128,000, and if you follow along to the

right you'll see an entry that indicates the 1974-1975 estimates for \$3,534,200. However, if you pursue it just a little bit further and go back to the 1974-1975 estimates, it seems that the figure asked for there was \$1,808,000.

Why did the figure apparently change from \$1,808,000 to \$3,552,200, if, apparently, this is just supposed to be a recapitulation? How did the extra \$2 million get thrown in there?

**Mr. Hall:** Yes, Mr. Chairman, there is a reconciliation statement, but no explanation of this in the reconciliation statement and no supplementary figure in the estimates.

**Hon. Mr. Rhodes:** First of all, I am looking for that figure of \$1,808,000. You are looking at last year's figures, Vern?

**Mr. Singer:** Yes. On page G58 of the estimates for 1974-1975.

**Hon. Mr. Rhodes:** Okay. There is a restructuring which has taken place in the ministry and I will ask Mr. Scott Campbell to talk on this.

**Mr. S. Campbell:** If I could just have that document for a second I think I can explain it. If you just take a look at the \$1.8 million for last year, 1974-1975, and you look at the 1975-1976 figure on page G58, the main difference is the communications and information services. Last year in the estimates, that was not part of ministry administration.

**Mr. Singer:** Can I stop you there? The main difference is not communications and information services; there is a difference in each of the three sub-items.

**Mr. S. Campbell:** Yes, there is.

**Mr. Singer:** We start off with main office, which was \$650,000, and when you come to the reconciliation this year it is \$1,526,000; it's almost a million-dollar change. So the one you directed me to is not really the main difference.

**Mr. S. Campbell:** That is quite correct. I guess one of them is the communications, the other in each of these items is just simply



that there have been more people moved in, for example, to the main office, than there were in last year's estimates. They have been taken from other parts of the ministry, for example. Therefore, their costs are here.

**Mr. Singer:** It's an explanation I don't understand. If you are purporting to recapitulate what was in the printed document that was made available to the Legislature in the year 1974-1975, you haven't done it. The figures are quite substantially different, and I don't know what authority you had to do it in that way. If you're going to recapitulate, you recapitulate.

**Mr. S. Campbell:** The idea is that you have a comparability between 1974-1975 and 1975-1976 on G58 of this year's estimates so that you're comparing the same costs and the same people last year, versus the same costs and the same people this year.

**Mr. Hall:** Don't you have ample opportunity to show that in your reconciliation statements? Isn't that what the reconciliation statement is for, to explain a period between the estimates? There's \$1,744,200 that you could have explained in the reconciliation statement, it appears to me.

**Mr. S. Campbell:** The reconciliation statement is simply a statement in terms of global ministry dollars, not in terms of specific votes and items within the ministry.

**Mr. Singer:** I'm suggesting to you that whoever set it up this way did it in a method calculated to mislead. What you have achieved is that the 1974-1975 estimates were \$1,808,000 as compared with the 1975-1976 estimates which end up at \$5.1 million. It looks much better to compare \$5,151,000 with \$3.5 million than it does to compare it with \$1.8 million. It makes you look much better. Somebody has sat down and figured this out in a method calculated to deceive those people who are going to read it and who didn't have the persistence to follow through and compare them with last year's estimate sheets. I think the fact that the ministry should do this is a shameful thing.

**Hon. Mr. Rhodes:** I must confess that I am not looking at last year's estimates, that is, the figures that were just shown to me, which is the \$1,808,000. From what I understand you're saying, Mr. Singer, you're asking us, and quite rightly so, to explain how the 1974-1975 estimates of \$1,808,000 are now shown under 1974-1975 as \$3,534,000?

**Mr. Singer:** That's exactly it.

**Hon. Mr. Rhodes:** And it's an excellent question. I hope there's an answer.

**Mr. Singer:** You hope it has been answered?

**Hon. Mr. Rhodes:** No, I hope there is one.

**Mr. Singer:** I do, too. That is what I am looking for.

**Mr. Crosbie:** In preparing this information, we did not determine the format of the estimates book. We were asked to provide certain information on costs. The effort, as Mr. Campbell has indicated, was to list in the 1975-1976 estimates those items of expense that occur in the ministry administration programme. Since there has been a change, the same group of expenses were not shown when the 1974-1975 estimates were prepared; therefore, the \$1.8 million that is shown in last year's estimates is not comparable to the 1974-1975 estimates that total \$3.5 million. If the committee wishes to see it—we don't have it here today—we could produce documents showing the various costs, where they came from and how they arrived in the ministry vote.

**Mr. Singer:** The implications of this are far more serious than that. The word "estimates" is used and the estimates that were passed by the House for the fiscal year 1974-1975 were \$1,808,000. Surely we could expect to respect the integrity of the department when they bring back a column that shows estimates 1974-1975 as being the same as it was the year before. If the actual expenditures were greater, then you should explain it. But the word "estimates" is there twice and one should be entitled to believe that estimates means estimates, that they carry through.

**Hon. Mr. Rhodes:** I think that the matter is not what the hon. member is trying to imply it may be, that there's an effort to mislead. That is not correct. What has been done here is that there has been a movement of moneys from other votes in this book last year that were taken out of other areas of the ministry operation and became actual costs into the ministry for 1974-1975. It was not intended to mislead. In fact, it was intended to give that very information, so that you can recognize that there was this amount of money in the ministry administration programme in 1974-1975, as a result of a restructuring within the ministry itself, that moved certain activities that are in other parts of this whole estimate procedure, and moved over into that and were so done

through 1974-1975. There will be comparable reductions in other votes within the continuing of the estimates.  
[11:30]

**Mr. Singer:** That may have been the mechanical way in which the ministry was run, but I suggest that when you put documents forward to members of the Legislature and to the public, and you have certain headings on them and they purport to refer back to documents that have an earlier history, that you have a duty to be meticulously accurate. If you reorganized your head office then you had a duty to put in explanatory notes, and not purport, as we see this thing, to have a different figure in your estimates than came before the House a year before.

**Mr. Cassidy:** On a point of order, Mr. Chairman, I just want to comment on this. I am somewhat responsible, in terms of pressing the minister and his staff, for the fact that we have these blue books at all. And Mr. Singer, of course, is aware of the inadequate information which has been traditionally provided to estimates committees. Normally, we sit here with the estimates and neither else, and the ministry sits there with the kind of book that the minister has got on his table. The disparity is about 1,000 to one, and now we have reduced this disparity so that maybe the minister has got two or three or four times the information we have. In getting this far, I would just like to point out that the ministry did do its best to get the information out on about a week's notice—to produce what amounted to an expurgated version of the minister's briefing book.

**Mr. Singer:** No.

**Mr. Cassidy:** If I can go on with my point of order, Mr. Chairman, it seems to me that if we turn around in this committee and attack the ministry for information which we find difficult to understand and which we may feel to be misleading, that they will simply say: "What is the problem? What is it worth? We'll simply clam up next time they ask and we won't give them anything at all."

I think that the questions the member is putting are quite reasonable, but surely over the weekend a reconciliation for that particular problem could be provided. I am personally satisfied that if there is a disparity, and there does appear to be one, that it has been brought to light as a result of having this information—

**Mr. Singer:** Quite wrong.

**Mr. Cassidy:** —and the explanation can be provided members.

**Mr. Singer:** No, could I just—

**Hon. Mr. Rhodes:** On the point of order, Mr. Chairman.

**Mr. Singer:** I want to speak to the point of order, too, Mr. Chairman.

**Hon. Mr. Rhodes:** My apologies, Mr. Singer.

**Mr. Singer:** Mr. Cassidy is quite wrong in suggesting that the information comes out of the blue book. The information comes out of a comparison of our records of the estimates books of 1975-1976 and 1974-1975, and have nothing to do with any of the pages in the blue book.

**Hon. Mr. Rhodes:** That's correct.

**Mr. Hall:** They were done, Mr. Minister, by the research department over two weeks ago. We only received the blue book Wednesday night.

**Hon. Mr. Rhodes:** Yes. Mr. Chairman, that is exactly the point I wanted to make. Mr. Cassidy is making a big deal out of something that is not a big deal as far as getting the information goes. He asked for it and he has got what he asked for—probably not entirely what he asked for. He never will get entirely what he asks for, no matter where he goes.

**Mr. Angus:** Until he becomes the Minister of Housing.

**Hon. Mr. Rhodes:** I beg your pardon?

**Mr. Angus:** Until he becomes the Minister of Housing. I apologize for the interjection, sir.

**Hon. Mr. Rhodes:** May I offer to you this small suggestion: That the delightful beard you have will be a beautiful white when that happens. Okay?

**Mr. Angus:** Touchy.

**Hon. Mr. Rhodes:** The papers that you have before you, Mr. Singer, quite rightly, are papers that are made public. They are public documents—the one of last year's estimates that was produced by Mr. Hall and this one. There is nothing secretive about this; you would have had it anyway. And you would have had this document all along, plus the one that Mr. Hall produced a few moments ago, whether you had this book or any other. The fact that you have got that book



doesn't have any part to play in this at all. I am glad you are making use of what was in the book, as little use as it apparently seems to be to you, now that you've got it.

**Mr. Singer:** I haven't got the explanation yet. What right or what authority did you have to put out in your 1975-1976 estimates something which purported to be in 1974-1975 estimates, but which, in fact, were not?

**Hon. Mr. Rhodes:** Mr. Singer, my deputy advises me that the estimates were prepared in the way that they were directed to do so by Management Board as a format. I recognize what your concern is. I would like to suggest to you that we will be able to bring explanatory information for you. This doesn't correct this document but at least we'd be able, I think, to satisfy you as to what has happened.

**Mr. Singer:** All right. Does the minister accept the principle that when you bring forward estimates for the current year, as you're doing now, they have to be accurate? If you have a column which talks about estimates in 1974-1975, it should be the same as 1974-1975 was a year ago. If you don't do that, there is somebody's intention to give us misleading information.

**Mr. Crosbie:** Mr. Chairman, just commenting on that: In the past there has also been the criticism that when the estimates are prepared using the figures from the previous estimate paper you are not comparing the same set of costs. As is quite apparent here, the \$5 million figure is not at all comparable, in the items which are included, to the \$1.8 million.

I believe the change was an effort to ensure that when the members look at the costs which are increased or decreased in the current estimates, they are talking about the same set of costs dealt with in the previous year's estimates. They have been reorganized, because of changes in the ministry, to group together comparable sets of costs. It is true that in that process of trying to create that comparability you have distorted the figures which relate back to last year's printed estimates. I guess it's a trade-off; which is more useful to the members—having exactly comparable units or having a consistent set of figures between what was printed last year and what was printed this year?

**Mr. Singer:** No, it's a lack of credibility. I can accept the fact that both the deputy minister and the minister are new to this department and perhaps inherited something over which they had no control.

Here we have a main office item and there's no corresponding transfer from any other section of the ministry that I've been able to ascertain. What is put before us are figures which are, in fact, incorrect or, if you want me to be a little more positive, untrue. There are untrue figures put here apparently as true figures and they're not.

If the deputy wants to say he wasn't there and he just doesn't know who did that—I have great respect for the deputy and for the minister and for the staff but I just don't like getting false information.

**Hon. Mr. Rhodes:** I thank the hon. member for his kindness. Perhaps the deputy and I would like very much to be able to say, if we could, "That's right. This is what happened; it's because we are so new." That isn't a fact.

The truth of the matter is this is the format used by all ministries. I think perhaps if you looked at other estimates you'd find the same thing.

**Mr. Singer:** I'm not talking about format. I am talking about figures.

**Hon. Mr. Rhodes:** I'm talking about figures as well.

**Mr. Singer:** Are you suggesting to me, when we get a column a year after the fact, which says estimates for another year, that these are changed arbitrarily without any explanatory notes?

**Hon. Mr. Rhodes:** No, I'm suggesting to you that if you look at other estimates of other ministries you will find, perhaps, the same sort of difference in figures because it's a format which is being followed and has been followed. I suggest to you that's the case—

**Mr. Singer:** There are supplementaries which come in with explanations; there are additions and so on. But surely you have no right to change established figures which are part of the records? That's what I'm talking about.

**Mr. Hall:** Mr. Chairman, on this subject, to take it another year ahead, will the item of \$5,151,000 be shown a year from now, when you're talking about a budget of maybe \$8 million, as \$6.8 million without any explanation of the difference?

**Mr. Singer:** Or \$10.3 million?

**Mr. Hall:** Where is the continuity between the figures? This is what we're concerned about.



**Mr. S. Campbell:** If we're talking about exactly the same items in 1976-1977 as we talked about in this year, 1975-1976, then the figure would be \$5,151,000 compared to whatever the item is next year.

**Mr. Hall:** Isn't there an obligation to chase the dollar around in its accountability? Isn't this what the reconciliation statement pretends to do?

**Mr. S. Campbell:** I guess the size of the format doesn't lend itself to getting that amount of detail in there. We could provide the detail from what is here to what is there, presumably.

**Mr. Singer :** Let me try it in another way. The first figure I am concerned about is the main office figure. Has the main office changed?

**Mr. S. Campbell:** Yes.

**Mr. Singer:** Has the concept of the main office—sure, the programmes change. Surely, the main office is the same? You estimated \$650,000 in 1974-1975 for the main office; that was your estimate. Your estimate didn't change to \$1.5 million.

**Hon. Mr. Rhodes:** Mr. Chairman, I think in order not to prolong what can develop into an exchange back and forth I would like to say this to the committee. I think Mr. Singer is technically right; there is no question about that. I would like to suggest that we will attempt to bring you explanatory notes as to what has occurred in this particular case. At the same time I recognize what you have said and I suggest to you that we recognize you certainly are technically right on this point, and hope that it can be properly changed and adjusted to reflect what you feel should be more accurate figures. I concede that point to you without any question.

**Mr. Hall:** Mr. Minister, can I have my old item back then from the ministry?

**Hon. Mr. Rhodes:** Sorry, I didn't have it.

**Mr. Chairman:** Mr. Cassidy.

**Mr. Cassidy:** Could I yield to Mr. Wildman, who wants to raise a number of points but has to leave at 12:30 p.m. to catch a plane?

**Mr. Chairman:** Mr. Wildman.

**Mr. Wildman:** Thank you. Under the first vote I would like to raise a particular problem which the minister knows is of particular interest to me and my riding; that is, the

problem of mobile home buyers and tenants as one type of housing.

As we know, the new legislation on rents is going to include mobile home owners. The changes to the Landlord and Tenant Act are finally going to bring mobile home owners into the purview of that Act, and tenants in mobile home parks will have the same rights as other tenants.

The reason this is important in my riding is the tremendous concentration of this type of housing in Algoma for a number of reasons, partly because of the failure of the government to provide nearly the number of houses that its own studies show are necessary. As a result, the cost of single-family housing has risen sharply, as has been mentioned by both the leadoff speakers, and put single-family housing out of the reach of a large number of people in the low- and even moderate-income scales.

One other reason for mobile homes, of course, and for the problem in Algoma particularly, is the restrictive housing regulations of municipalities which make it very difficult for people to locate mobile homes in many zones and even make it almost impossible for mobile home parks to be developed in many areas. Also in the north, because of the shortage of apartment vacancies in many places, mobile homes have become a major alternative for higher-priced housing.

There are a number of problems in these parks, and I think a lot of them are at least partially the reason for my election to this House. I think it is significant that the new Minister of Housing is from Sault St. Marie, which is surrounded by Algoma riding; perhaps that is one of the main reasons the Ministry of Housing has become involved in the problems of mobile homes—although, of course, it began earlier with the former minister's policy statement last spring or in the summer—and it's probably the reason for this change.

I'm not certain, however, that this ministry has yet reached a point where it has decided what its policy was regarding whether the ownership of mobile homes should be encouraged. The ministry has said that mobile homes are an alternative to high-priced housing and that it is looking at them as a viable alternative. But in order to make them a viable alternative, there are a number of changes that are going to have to be brought in by the government in regulating mobile home parks. A number of changes already have been suggested in the legislation, but I would suggest that they do not quite go far enough.

I'll give you a little bit of background information. I know a little bit about some of the problems in the mobile home parks in Algoma.

Take for example Wawa, which is in the northern part of the riding. There is almost a zero vacancy rate in rental accommodation in the town. As a result, rents have risen drastically on a number of occasions. In one example the rent has gone up 50 per cent since the election. The new legislation of course will affect that. In other cases many single-family dwellings in the town have been converted into apartments, renting space in attics and in basements. As a result, many people have moved into mobile home parks.

There are two parks in that area. One is within the confines of the town and the other is outside of the town in another part of the township. The problem with them is that, because of a lack of provincial policy up until this time and also a feeling by municipalities that they didn't really want mobile home parks and so they tried to discourage them, a lot of things have developed which are very bad. For instance, the one inside Wawa was built for far fewer units than are there, for smaller type units and older type units of mobile homes. Right now they are all crowded together, almost touching each other. Problems with water pollution and so on have been seen in the past as a result. There just aren't adequate facilities, and in some cases it might be considered unhealthy and even dangerous.

Neither the policies of the municipality nor the government in the past have prevented this from happening. The situation is even more serious in an area which the minister is familiar with, the area north of Sault St. Marie. It is an area of unorganized municipalities and the control of development has fallen to the Ministry of Natural Resources under a restricted area order under the Public Lands Act. As a result, the Ministry of Natural Resources has been saddled with administration problems which I think the minister will agree with me, it is not really well equipped to handle.

[11:45]

The fact that it was a restricted area of development, you would think, would have stopped some of the mobile home development and the ministry did lay charges against people who developed illegal parks. Unfortunately, however, it wasn't very effective in preventing this and a number of overnight trailer camps were converted—sometimes illegally—into mobile home parks. The reason this took place was largely due to the fact

that there was a severe shortage of housing that people can afford in Sault Ste. Marie and also because the city has such restrictive zoning policies that it was almost impossible for anyone to develop a mobile park economically within the city. As a result, a large number of people moved into parks north of the Soo and a number of problems have occurred. I don't think I have to enumerate them all; the minister knows a number of them.

I would like to talk particularly about one problem. Because the people felt that they were forced to move into parks, they felt they were in a very vulnerable position. If they bucked the landlord, because they weren't at that time under the Landlord and Tenant Act, they were subject to arbitrary rules and even summary eviction. I know of one case where a tenant in a mobile home park complained and began to organize a tenants' association. He went away on a holiday and when he came back he found that his mobile home had been yanked off its foundation and was sitting near the gate. I am glad that both your ministry and that of the Attorney General (Mr. McMurtry) are approaching this problem with the new legislation you are introducing.

Other problems were exorbitant entrance fees and threatened exorbitant exit fees. There are other cases where a person buying a mobile home had to locate in the mobile home park owned by the man he had bought it from. If he wanted to sell and move, say he had to move on, then he was almost forced to sell back to the person who owned the mobile home park and from whom he bought the original mobile home, because he was told that if he didn't sell to that person then when he had a sale the person who bought it second hand would have to locate his mobile home somewhere else. Since there were no other vacancies, that meant he had to sell it back and the end result was he sold it back at a very low price and usually at a loss, even taking into account that mobile homes probably depreciate in value as they get older.

Another problem is there is no control of lot sizes. In the legislation brought in, the bills don't address themselves to that; there is no new legislation which suggests minimum lot sizes. Without that we have a terrible problem, as I mentioned, in the Wawa case. It's more serious in a park where you have crowding, which overtaxes the facilities. It brings about water pollution. Lot sizes should be determined and regulated in rela-



tion to soil conditions and so forth to avoid the possibilities of water pollution.

**Mr. Singer:** Can't the municipality do that under the Planning Act?

**Mr. Wildman:** The problem I'm dealing with is in an unorganized municipality. There is no municipality. This is under the control of the government, through Natural Resources. It's supposedly restricted development but the people had nowhere to go, so they were stuck. They had to move into these areas.

**Mr. Singer:** I'm not familiar with this at all. Can Natural Resources not use the facility of the Planning Act?

**Mr. Wildman:** Yes, and they did lay charges against illegal development.

**Mr. Singer:** And govern lot sizes and sanitary facilities and so forth?

**Mr. Wildman:** That's really my question. That's what I am asking. That is one thing which I would like to see.

**Hon. Mr. Rhodes:** Mr. Chairman, I think I should interject. I think there is a misunderstanding on this. I'm almost certain that the Ministry of Natural Resources' only method of control is through the Public Lands Act.

**Mr. Wildman:** That's right.

**Hon. Mr. Rhodes:** The Planning Act really doesn't apply in the unorganized territory.

**Mr. Wildman:** They would refer to a plan if there was an official plan, but they have to go through the Public Lands Act. That's how they would have to administer it.

**Mr. Singer:** Does it give that kind of control? This is not something we do within Metro.

**Hon. Mr. Rhodes:** The Public Lands Act?

**Mr. Singer:** Yes.

**Hon. Mr. Rhodes:** No, the Public Lands Act covers total control of the use of the land.

**Mr. Singer:** And size of lots and sewage facilities and that kind of thing?

**Hon. Mr. Rhodes:** Yes.

**Mr. Wildman:** They could. We're getting a little bit away from what I wanted to deal with here, but the problem is that the fines

that were imposed were low enough that the developer treated it as just—

**Mrs. M. Campbell:** A licence fee.

**Mr. Wildman:** —an extra licence fee.

**Hon. Mr. Rhodes:** Without breaking your train of thought, Bud, the problem with the Public Lands Act—and I think you could probably see the same problem in section 32 of the Planning Act that is applied in some parts of Algoma as well, and other areas—is that there is a penalty clause. In essence, as Mrs. Campbell has said, it turns out to be a licence to break the Act—

**Mr. Wildman:** Right, if someone is going to flout the law.

**Hon. Mr. Rhodes:** —and there is no further clout behind it, such as going in and removing the undesirable development. It just isn't there. So the individual goes to court and pays a one-time fine and that's a licence to, in fact, break the law.

**Mr. Wildman:** There are other possibilities, of course. The Ministry of Natural Resources refers to the Ministry of Environment in dealing with problems of water pollution and so forth and the Ministry of the Environment—I have a letter here which I won't go into, which deals with bacterial pollution and nitrate pollution in the area—has put a warning out on water telling people to boil water and the ministry can order the installation of filtration plants and so forth.

The Ministry of the Environment could close the park but that's how it relates to the Ministry of Housing. The problem is, if you close the park and there is nowhere for the person to move his mobile home to, or there is no other alternative low-cost housing or rental accommodation available, what do you do? In other words, you're turning people out on the street. This is all related to the problem that we're addressing ourselves to here in the first vote, the fact that the ministry has not provided low-cost housing to people who need it, in the numbers that are required.

The new legislation that is being talked about, the changes in the Landlord and Tenant Act, certainly will get away from the problems of arbitrary rent increases, evictions and so on, but it does not really address itself to questions of regulation of mobile home parks, etc. That is something I would like the ministry to consider.

One thing I think we should consider is that mobile home parks should not be an adjunct to a retail sales operation for mobile



homes. It's a very unhealthy situation where a company which is selling mobile homes runs a mobile home park simply because they have to give the person somewhere to locate his home after he buys it. Most of them are not really interested in operating the park; it's just somewhere to locate. Their main interest and where they make most of their money is in the sales—and there's nothing wrong with that.

I would like the ministry to consider the possibility of funds for municipalities to establish municipally-owned and operated mobile home parks within the confines of the municipalities, setting regulations regarding things like lot sizes, and so on, in areas where you have unorganized municipalities. In those cases you would have to have the government owning and operating the park.

There should be regulations governing water and sewer services, road maintenance, street lighting, garbage collection, playground facilities, and especially minimum lot sizes, and so on. That is what I would like the minister to address himself to, if he could take a few moments to do that.

Will there be funds from the ministry for municipally-owned and operated mobile home parks? Can the ministry use its good offices to try and persuade municipalities not to set such stringent regulations, which will make mobile home parks uneconomical and thus undesirable—from their point of view—but at least set minimum regulations which will make them a decent place to live for people who really need to have that alternative because of the high cost of other types of housing? That is just the short presentation I wanted to make before I had to leave. Thank-you.

**Hon. Mr. Rhodes:** Mr. Chairman, I would like to make some comments on some of the remarks made by the hon. member, and tell him that I am quite well aware of some of these problems and, hopefully, something can be done to clear them up. One of the problems we have as far as municipalities with trailer parks go—and I often think that it would be better for all of us perhaps if we could spend a little more time in municipal offices before we come down here and face some of these problems—I am not being critical of those who haven't—because you get to see—

**Mr. Wildman:** Excuse me, Mr. Minister, I think it would also be very useful if some of the people—and I know it's happening now, so it's not a criticism of the Ministry of Housing—if some of the legislators were also to

spend some time in some of the mobile home parks.

**Hon. Mr. Rhodes:** Right, I couldn't agree more.

**Mr. Wildman:** Really unbelievable conditions.

**Hon. Mr. Rhodes:** I am quite aware of those conditions, but the other thing that you must remember—

**Mr. Cassidy:** These problems fester, and there is never a word from the provincial government.

**Hon. Mr. Rhodes:** Could I respond to your colleague now?

**Mr. Cassidy:** By all means.

**Hon. Mr. Rhodes:** You had an hour or two yesterday and we listened attentively. One of the problems in municipalities—and I have lived with these situations—when attempting to develop an area for a mobile home park, you immediately run into local opposition to the development of that park.

I am sure that there are many in the Legislature who have had the experience of a municipality which decided a mobile home park might be a good idea. Somebody who had adequate land that looked like the ideal spot to develop a mobile home park would come to council. He would come in with reasonably good plans to develop it and make it into a rather attractive facility, only to have a great deal of local opposition develop. Large groups would appear before the municipal council opposing the rezoning applications and raising a ruckus. The municipal councillors, who are subject to the same political pressures as you and I, then just say: "Well, let's not create ourselves any problems and they won't happen."

[12:00]

Again, what you are suggesting is what has been suggested here in other discussions, that the province should step in and, in essence, overrule the local politicians who have said, "No, we are not going to have that in our community." I'm not sure whether I for one or whether people collectively are prepared to do that at this stage. I recognize that there are some weaknesses certainly in the legislation on the books now—there is no question about it. There is legislation which should be but is not on the books now.

One of the things which is going to happen is that the Planning Act will be amended to provide for the concept of residential de-

velopment involving land rental which would cover that particular area. The local planning branch which before was in TEIGA has now come over to the Ministry of Housing and it takes care of these areas. We'll be preparing guidelines for park planning and design so we can assist municipalities in evaluating mobile home project proposals, to make sure they will be reasonably acceptable.

The Attorney General has already amended the Landlord and Tenant Act. There are several sections in the Act—and I won't go into them—which, as you are probably aware, do meet some of those problems.

**Mr. Wildman:** Right, I commend those things.

**Hon. Mr. Rhodes:** In particular, there is the one of maintenance within the mobile home park. There is even one section which touches on the question of charges.

**Mr. Wildman:** Entering and entrance fees.

**Hon. Mr. Rhodes:** Right. Hopefully those problems can be overcome. The Ministry of Consumer and Commercial Relations is going to incorporate mobile home standards into the Ontario Building Code and the same ministry will be incorporating warranty protection for mobile home owners in all relevant legislation.

Now we come back to another problem. We go right back—and I'm not sure whose responsibility this is or where it lies—to the development of an adequate mobile home. I think you would agree on that. You mentioned the Heyden trailer park and some of the problems with the units themselves, such as frost forming on the inside of the units in the wintertime.

**Mr. Wildman:** Some of them are American-produced and are not really—

**Hon. Mr. Rhodes:** If they catch fire the blasted things go up and you have to be quick to get out of them. They go up and in 10 or 15 minutes the whole thing is gone. The standard of the mobile home unit itself has to be looked at.

I think our retail sales tax approach to mobile homes is not right. That has to be changed.

**Mr. Wildman:** There are a number of other areas we could have gone into, like education tax and so on, but they don't necessarily come under your jurisdiction.

**Hon. Mr. Rhodes:** They do, in a sense, affect what we're trying to do, you see. We

can develop the programmes and say this is what we can do for mobile homes, but unless these other related standards are changed and altered it isn't going to help the situation. Part of it is to provide better housing.

The government is committed to the recognition of a mobile home as a legitimate alternative form of housing. We're going to continue in our efforts to get equitable treatment of the situations involving land rental so that people can go into mobile homes.

If we can come to a specific thing in what you mentioned in your comments about your own riding, there are two or three problems. The enforcement situation in the unorganized territories is extremely difficult because the Act doesn't have the sort of penalty clauses in it. We get into some funny situations when people go out and break the law. To many people, not allowing someone to park a mobile home or to build some sort of living facility where that person wants to build it, is almost like beating your mother in front of the post office at high noon. People just don't buy that. They think that's a terrible thing you're doing.

I'll give you an example. In Timmins not too long ago a man built a home contrary to the building bylaws of the community and all the various things and it got from page headlines. This man was out in front of his house defending his homestead and he had everybody in that town on his side. Yet, basically, he had violated the building bylaws and the development bylaws of the community. Yet, when the community tried to enforce them, they were faced with a great deal of opposition from the people in the community and he got a great deal of sympathy from the media and what have you.

Those enforcement things are difficult and I've been through some of those in the area you represent. I can assure you that you'll go through them as well. I appreciate your position on this but I can assure you that before too long, you will be coming back and asking that certain regulations be sought. I hope you don't.

**Mr. Wildman:** No, let me put it this way. There are two things you have said. One of the reasons there has been a feeling that there shouldn't be restrictions on the development of mobile home parks in that area is simply because of the tremendous lack of housing and the need for housing at a particular price. Certainly, you're right; people want to build houses or people want to move into mobile homes. They want to establish



mobile homes. The reason they want to is because they have to.

**Hon. Mr. Rhodes:** Let not try to convey the impression that all people who live in mobile homes are necessarily—

**Mr. Wildman:** No, not all of them are ones—

**Hon. Mr. Rhodes:** —not capable of paying an adequate rental or an adequate amount of money.

**Mr. Wildman:** Many of them don't want to be in those parks. They wouldn't mind having a mobile home in another area, but the point is that many of them are stuck in the park. I don't think you will find anyone in that particular park, Heyden Park City, who wants to be there.

**Hon. Mr. Rhodes:** I would hope not.

**Mr. Wildman:** I would hope not too.

**Hon. Mr. Rhodes:** The other point that I want to make to you, though, is that you make it sound as if—and in some cases it is correct—people have gone into these mobile homes because they are financially not capable of getting into something else or it is not available to them at a price they can afford. That is true in some cases, but it is not true in all cases.

**Mr. Wildman:** No, I will grant you that.

**Hon. Mr. Rhodes:** There are many mobile home parks in this Province of Ontario, and I have seen one that is a delight to look at; it is a beautiful park, but it costs about \$38,000 to get the unit and all of the amenities that go with it. I have talked to the people who are there and they are quite happy. They think that is a fair and equitable price for the unit they are getting, for the service they are getting and for the things that are happening in that park—and it is a beautiful park.

Others, who have gone into those areas north of a place like Sault Ste. Marie, have gone out for one reason. Some of them have sold the homes they had bought some years back, as Mr. Cassidy referred to earlier, and were paying perhaps only 10, 15 or 20 per cent of their income by today's standards for their accommodation. They sold their homes, took their capital gain, bought themselves a mobile home and moved out for one reason; they said, "Gee, you don't pay taxes of any amount out here. I can live out here very cheaply and commute back and forth to work at a reasonable price."

**Mr. Wildman:** That's true of many elderly people in the area, but the point is that because the area was under order as a restricted development area, many of these people—and I know of cases which I can give you—sold their homes and bought land out in that area unaware of that fact. When they wanted to establish mobile homes on that land, they found they couldn't do it and ended up stuck in a mobile home park under conditions which are terrible. But I didn't want to bring that in because that is not necessarily under your purview; it comes under the Ministry of Natural Resources.

**Hon. Mr. Rhodes:** I think a lot of these things will be changed by some of the new amendments that will be coming in. I am hoping that the standards—

**Mr. B. Newman:** In this session?

**Hon. Mr. Rhodes:** I wouldn't want to say in this session, but I would think that they can be in before too long. They have to be put together, developed and brought in; and I am sure everyone wants to go home for Christmas—

**Mr. Wildman:** I think it is unfortunate that it took until last spring for the ministry to come to the conclusion that mobile homes were a viable alternative and to start looking at a policy to control the development of parks and so on. I welcome the fact, Mr. Minister, that you are now in a position of being able to make decisions on that, and I look forward to the kind of changes that you were talking about. Certainly, as I said in my remarks, I wouldn't want restrictions to be so tight as to make it uneconomical to get into a mobile home, but at the same time they cannot develop without restriction and without regulation.

**Hon. Mr. Rhodes:** And basic services.

**Mr. Wildman:** That's right—and required services.

**Hon. Mr. Rhodes:** One of the other things I just want to comment on is your mention about the acquisition of land for the development of these parks. We are under the impression in this ministry—and I hope to discuss this with Mr. Danson—that there are funds available through CMHC for the acquisition of land to develop mobile home parks. That's our impression, but we want to discuss it with the federal people and see if they interpret it in the same way we do; if they do, then this money would be available through CMHC for that purpose.



**Mr. Wildman:** Would you care to comment on what your attitude might be, in discussion with your cabinet colleagues, about my suggestion of possibly divorcing the sale of mobile homes from the ownership of mobile home parks?

**Hon. Mr. Rhodes:** I find that desirable. I think it should not be a requirement that you must buy a unit in order to get into a mobile home park. I think you are leasing the land—again, though, I would suggest that if a certain standard has been established within the park that someone might not be permitted to bring in—

**Mr. B. Newman:** A piece of junk.

**Hon. Mr. Rhodes:** A piece of junk, right—and destroy all the amenities.

**Mr. Wildman:** That would be in regard to the regulations.

**Hon. Mr. Rhodes:** But as far as tying the unit to the land is concerned, I think we even separate them in the Landlord and Tenant Act and in the Residential Premises Rent Review Act; we separate the unit from the land for the purposes of both Acts.

**Mr. Wildman:** One other question: Is your ministry, in conjunction with the Ministry of Environment, involved in investigating, or studying new developments in the area of waste disposal for domestic housing?

**Mr. Cassidy:** A very good question.

**Hon. Mr. Rhodes:** I don't think we are in our ministry. I think it is being done in the Ministry of the Environment, to develop other than the regular sewage systems that we now know of.

**Mr. Wildman:** Yes, using so much of our water for this.

**Hon. Mr. Rhodes:** Yes. I think the Ministry of the Environment is working in these areas and is attempting to find a new type of sewage disposal system.

**Mr. Wildman:** In areas such as Sioux Lookout, in the north, in gravel type soils, concentration of development results in possibilities of nitrate pollution and bacterial pollution. I've mentioned the order I have from the Ministry of the Environment.

**Hon. Mr. Rhodes:** You and I know that we have at least two areas there where we are experiencing that problem.

**Mr. Hall:** Mr. Chairman, in connection with vote 801, I would like to understand something about the communications and information services branch's function, because I have some other questions to ask.

**Mr. Chairman:** I'm sorry, Mr. Hall. We're doing vote 801(1).

**Mrs. M. Campbell:** No, excuse me, we're doing vote 801(2).

**Mr. Hall:** It's the item of the civil service complement increase costing \$80,000. The explanation given to me here is, "expand the scope of new communications and information services branch." Is that not a correct area to be discussing now?

**Mr. Chairman:** If the committee so desires, we can take vote 801 and the three items all together if they wish to do that.

**Mr. Cassidy:** That's acceptable to us, Mr. Chairman.

**Mr. Chairman:** All right. Go ahead, Mr. Hall.

**Mr. Hall:** It stresses the increase of the three civil service staff at a cost of \$80,400. Obviously it's part of a section, under the general ministry administration, for communications and information services to the public, I suppose. Naturally, I have to assume that part of this communications and information services to the public includes data such as we heard on tape last night, or yesterday afternoon. I don't want to dwell on it.

**Hon. Mr. Rhodes:** Excuse me. I think I should clarify that tape last night. That was not an ad produced by the Minister of Housing, nor was it paid for by the Ministry of Housing, nor was it part of the advertising programme of the Ministry of Housing. It was a delightful jingle produced by the Ministry of Revenue.

**Mr. Hall:** That's fine. That really doesn't concern me.

**Mr. Cassidy:** I'm sure they were working under your ministry's instructions, weren't they?

**Hon. Mr. Rhodes:** Oh they probably were, but it was not ours, so you have to change the tag on that.

**Mr. Cassidy:** When you paid them half a million dollars to administer the programme, wouldn't that have covered that advertising programme?

Hon. Mr. Rhodes: We didn't produce it.

Mr. Hall: You mean you didn't do the singing?

Hon. Mr. Rhodes: I could have sung in that second part.

Mr. Hall: Yes, I agree. However, if the Ministry of Housing has as its first priority, to the exclusion of other concerns of government, the creation of more housing—and I assume that's your dedicated responsibility and only that—in this area of communications and information services, it seems to me, it's time for the Ministry of Housing to stress priorities in a way that possibly hasn't been attempted as yet. If you're going to get over the hurdle of housing shortages, you should proceed to have a team-selling approach and an explanatory approach to municipalities covering the adverse effects of housing shortages. I think you should approach the other ministries to convince them that you have valid priorities which do affect the other ministries and the other aspects of government.

[12:15]

I realize that government is very large. I've come to realize it even more so in the last six weeks. If housing is such a priority—and it has to be considered a priority in my opinion, because I feel that housing itself has contributed very much to inflation in this province through an artificial rise in the price of resale homes, which has naturally affected the price of the other homes going on the market. It's an artificial rise which really does not benefit everybody but benefits only certain people.

There are costs to a municipality in accepting new housing which they are afraid of. Is this study clear to each municipality; are they aware just how much money this does represent? Couldn't a well-structured government agency get down to the facts, find out what these obvious costs are and balance them off against the hidden costs of shortages and delays and the hidden costs of inflation which hurt us all?

It seems to me if we are going to recognize it as a priority, then new methods of explanation to your own ministry and to the public at large are necessary for the good of all of us. I suggest this be included in the area of major responsibility of the communications and information services of the branch of the ministry which must, I assume, be charged with the responsibility of dispensing information on housing projects. It's a comment I wanted to make.

Hon. Mr. Rhodes: Mr. Hall, I don't think you will find any disagreement from me or from the deputy and others that there is probably required a massive public information programme, for lack of a better description, to let people know. I'd be a bit surprised, but there are people who really don't know about it. This seems to be a problem. Most of these are people who are already housed and feel they're all right and it's too bad about the other guy. As far as other ministries and the municipalities are concerned, that's what a big part of the OHAP programme was about.

Mr. Martin spends a great deal of his time going to other ministries attempting to impress upon them the need to assess their priorities in an effort to have their priorities not suddenly causing us problems in our ministry in trying to develop housing. It is the same with municipalities. We hope we can convince them that we want to co-operate with them. There's a need for that relationship between the province and the municipalities for the development of housing in the various communities.

I'm not suggesting to you that what we have done has been totally adequate. It may need an expansion; it may need to be stepped-up and more strength put in that area. But it has not been totally forgotten. We do attempt to live very realistically in a world where others have other priorities. If we can convince the public at large that the question of housing at a reasonable price and at a greater volume of construction should be a major priority, then I think all our jobs would be a lot easier.

Mr. Hall: You won't do it just by words and you won't do it with periodic statements. I'm suggesting that if this is a high priority—and I think it's a very high priority in the whole inflationary circumstance we face—then it should be number one.

It should spread not only to communications in a general sense but to the development of very specific information which you can live with, which you can defend and which you can sell; not only to the public but also to your other ministries which are vying with their responsibilities; and to these municipalities which don't have the expertise you have and only have vague fears about a lot of things. Done well it would come well respected, I would think, and possibly might be a move in a better direction than we have been able to take so far, as this relatively young ministry is concerned.



**Hon. Mr. Rhodes:** In his comments, Mr. Wildman—he's left now—mentioned one area where a question of priority comes into play. In an area where you could conceivably build houses, the Ministry of the Environment may say the priority here is to make sure that you are not going to cause a problem with the water supply, especially if you are in an area where the water supply is not a municipal water supply, and that you make sure you are not going to get nitrates into the water. So Environment will place a high priority on what has to be done in a particular area, which—as you well know, as a person who has been in the small building business—can certainly add to your cost.

The Ministry of Agriculture and Food, of course, places a very high priority on the preservation of agricultural land, as we all do. Therefore, for example, I think in the area of St. Catharines, the Minister of Agriculture and Food (Mr. W. Newman) has said there can be no more development outside of St. Catharines in one particular area because it goes into the fruit lands. So that's a high priority, and again I think rightly so.

What you are saying has a lot of validity. We do have this interchange, and interministry discussions going on at various levels within the ministry attempting to arrive at these priorities. Hopefully, our priorities can be high when considerations are made.

**Mr. Cassidy:** I want to pursue two or three questions which came up during the course of the leadoff and maybe the minister can talk about them.

I think an important question in the discussions that have been raised here is how the province interacts with municipalities when municipalities are trying to exclude low-income housing, have not growth policies and that kind of thing. I am aware, as the minister is aware, that when it comes to the region of Durham, or sections of Peel county or Halton county, for example, they are facing enormous problems which are due to the expansion of the Toronto-centred region generally, and the development of the land which happens all to be concentrated in their area. About the only municipality that has been willing to say "Let's go" in this region, and has accepted cheerfully that it is a growth zone which will have exceptional growth, has been the area of Brampton where so many units have been located under OHAP.

In his discussion of mobile homes with the member for Algoma (Mr. Wildman), the

minister is saying: "What do you do with them if a municipality won't play a part and doesn't want to get into low-income housing?" Maybe I can refer this to the municipal housing policy statements which are now being devised, but I would like to know, in working with the municipalities are you trying to bring to their attention the needs for low- and moderate-income housing that you can discern in that particular municipality so that they don't wind up saying: "Well, we are going to build this many units a year and only 10 or 15 per cent will be for the bottom half of the income range."

**Hon. Mr. Rhodes:** Yes, I think I can say that we are, and at the same time, from my own experience of discussing these subjects with municipalities, they have many legitimate arguments they put forth that are very difficult to deal with. They will tell you—as I am sure they have told you in their discussions and going back to your own municipal experience—that people moving into houses and the development of large subdivisions in their communities, whether they are low, moderate or high income or high priced, doesn't add very much to their tax revenues.

I have heard all of the excuses over and over and over again: "Well, if we put a subdivision in with 200 houses and you multiply that by two children each, you now have 400 children. You now need a new school. You need a new park. You have got to have a bus system. You have got to service all those properties." They face a very real problem of meeting those financial burdens, and that's one of the excuses or one of the reasons they use.

When you go into the development of mobile home parks, they will tell you again that this is not a desirable development, that you can make better use of the land, and that the densities are too high. We had some exchange on that before, about the densities that are permitted. In many communities, people—not necessarily the politicians who are sitting around in their particular council chambers; in some cases it is they but in many cases it's a question of the people who have elected those people to those offices—those people say to them: "We do not want and will not accept in our area that type of development."

We run into it time and time again. I don't think anyone who has been in municipal life hasn't listened to those arguments. They are very persuasive in many cases. You never listened to them, Margaret, when you were on Toronto city council? You never listened to those arguments?



Mrs. M. Campbell: Not in Toronto.

Hon. Mr. Rhodes: I'm sure Mike has in Ottawa.

Mr. Cassidy: What are you going to do about it? On the one hand, quite apart from the attitude your government has had in the past toward economic growth—being pretty uncritical about it and believing in growth for growth's sake; that may be changing the minister right now—even if there was no migration from other provinces or from outside Canada, we would face a very large demographic growth which I don't think would flatten out for another 15 or 20 years.

The economic trends in the province, in addition, are that there will continue to be a large amount of internal migration within the province and you will get a lot of growth concentrated in particular areas. All of us, as voters, as electors and so on have contributed to that, have encouraged it or at least have condoned it.

On the other hand, all of us are saying, when we put on another hat—ratepayer hat, municipal council hat or something like that—we don't want it here. Or, if we do want it here, we only want it for people earning more than \$20,000 a year.

This is where the province enters in. Clearly, nobody in their imagination can see the federal government or the municipal government introducing subsidies for middle and upper-middle income people which would have the effect of producing the kind of so-called desirable development and meeting or filling the gap between affordable development and what some municipalities might desire. The burden and the distribution of that burden is a very difficult problem.

What are you going to do about it? Are you prepared to sit down and be tough with municipalities and say: "We understand how you feel but these are the constraints with which we all work. In this area of the province there has to be housing for this many people over this period of time and it isn't fair that you only take 10 per cent of it when you have half the population of the region?"

Hon. Mr. Rhodes: I must confess that at this stage, as far as I am concerned, I find it distasteful to come down with a strong provincial hand on the municipalities. They are independent corporations which are being operated by duly elected people who live in that community and who have been elected to represent the people. I find it something which I do not accept—to go in and put down the municipalities and say, "You don't know

how to run your community. You aren't being responsible in your activities."

In essence, that is saying to the whole community, the people who live in it as well as the municipal politicians, that they don't know what they're doing. God knows, in my years of experience, limited as they are, one of the great criticisms mostly of the provincial government but in some cases the federal government, too, was, "Don't come around here and tell us what to do."

We do it in many ways but they sure don't like it. If we ever try to impose more on them, quite frankly, I hope you are the Minister of Housing if that ever happens.

Mr. Cassidy: I have worried about that, as a matter of fact.

Hon. Mr. Rhodes: You want to worry about that. I'll give you an example. Your colleague beside you, or his community, is I think a great example of where you had a sudden boom of industry and growth. Thunder Bay has one of the worst situations as far as housing is concerned; I know it and you know it. Yet the whole thing just went boom; the industry was suddenly there and there wasn't adequate housing and there weren't adequate rental facilities or serviced land or anything to handle the number of people who suddenly came in on that.

The alternative that I hear many times—and I don't find it totally unacceptable—is to say, "Wait a minute, you can't locate that industry here. It would be better if you located it down the road apiece in another community where there is housing and available land, serviced or whatever it may be." But you can't force people to go there.

There are communities, like Blind River in the riding of the member for Algoma (Mr. Wildman), where they're crying for industry and they've got land—they've got serviced land and they could put houses in—but you can't force people to go there. They say, "No, I'm not going to that community. I don't want to live there."

I went through that in my own community for a long time until the people from Toronto found out it was not a bad place. Now they're up there. But it's a very difficult thing to try.

I think this is where we disagree very much philosophically. You have this desire to control the whole blasted province; to tell people where they can go; how they can go there; what they must do when they get there; and what they're going to live in when they get there. Philosophically, I don't accept that. I think people are free to do what they

want to do and where they want to do it, and as long as municipal councils are elected by the people in those communities, I for one will never ever come down hard on them. That may be a weakness in my character, I don't know, but it's there.

[12:30]

**Mr. Cassidy:** Obviously I am trying to influence you on this.

**Hon. Mr. Rhodes:** You have tried to get me to do it so you won't have to do it.

**Mr. Cassidy:** I am waiting for direction.

**Mr. Angus:** These days it may happen, you never can tell.

**Mr. Cassidy:** I am waiting for the election, when you are liable to blame the entire government programme on the NDP.

**Hon. Mr. Rhodes:** No, that is one thing I would never do.

**Mr. Cassidy:** The one case you offer—which was that suddenly, by coincidence, two or three industries might come into an area like Thunder Bay—can be coped with. People are more flexible than maybe sometimes we imagine, and, for example, if that involved doubling up for a year or so until the housing industry caught up, I suspect that a balance of the people of Thunder Bay might, in retrospect, accept that it is better to have those jobs and have that economic base in the community, than to have lost it because they couldn't provide accommodation.

**Hon. Mr. Rhodes:** I hope so.

**Mr. Cassidy:** But, that is rather different and you can't say the same thing about Metropolitan Toronto, for example, which has displayed a very clear, long-term pattern of exceptionally rapid growth. The growth of Metro has been something like double the rate of the province as a whole and triple or quadruple areas like eastern Ontario and northern Ontario.

That is not a coincidence and accident, where two or three industries happen to come over. If there is a problem, as you recall, various government people come in, the developers eventually see that there is some work to be done and some money to be made, and the problem gets resolved.

In Metro, in particular, the housing cost problems that you have are basically because of extraordinary economic growth in the area, extraordinary job development, which has

been facilitated or permitted by this government.

I am not suggesting the art of government in these matters is not, therefore, to tell people you can't come to Metro; it is, in fact, to facilitate choices. In many cases people are coming to Metro because there is no place else to go. In the case of municipalities, I would suspect that certain ones—Mississauga is one that comes to mind—certain municipalities may not, in fact, be planning enough housing at the right income levels so that they can even house the sons and daughters of people who have grown up in Mississauga.

**Hon. Mr. Rhodes:** You are probably right.

**Mr. Cassidy:** That is difficult for me, as someone who has always lived in the centre of the city, to sort of come to grips with, but maybe there are people in this room to whom Mississauga is home. They were born there, they have been raised there, and that particular environment has been there, and then they come to the age of 20 or 22 and they want to set up house and have a family, and find they can't afford to live there.

I don't think that it's right that you as a minister should sit aside and say, well, I respect municipal autonomy to the point that I respect the sacred right of Mississauga to force other municipalities to look after its sons and daughters, because they won't look after it themselves.

**Hon. Mr. Rhodes:** Doesn't some of the responsibility fall upon the people who now live in Mississauga? I am talking about the people, not necessarily the local politicians. Those people are the parents of those sons and daughters, and they are the same people who are going down and objecting and complaining if you are going to have this development. Obviously they want to see their sons and daughters go elsewhere.

You mention Metro, and I am probably the wrong person to talk about Metro. I don't know it that well. I have only spent four years here—and I know Margaret is nodding her head in agreement with me—

**Mr. Angus:** It's a nice switch. Usually it's the other way around—they don't know about northern Ontario.

**Hon. Mr. Rhodes:** Even if she wasn't nodding her head, I'd know she would agree with me.

One of the problems here is that it's such a magnet to draw people. The people looking for jobs come here. This is where



the action is. "I am going to go to Toronto and get a job," they say. Somebody comes down and gets one and goes back and tells all his brothers and sisters, aunts, uncles and cousins the place to be is Toronto, and they all end up here, finding out that maybe the employment situation for their particular talents is not as good as they thought, so they start to double up and triple up in their living accommodation, and the next thing you know they are on a list somewhere looking for housing. That creates a major shortage.

At the same time, you get the unemployed who are coming here looking for social assistance, because the social assistance in Metropolitan Toronto is reasonably good, and because they hope that they will have that job opportunity. I don't think you can blame the province in total. We all have to carry some of the blame. The province here didn't develop, for example, the restaurant and hotel industry in Metropolitan Toronto, which draws thousands of people to work in that industry and thousands of people who come in here as visitors to take a look around, and many have stayed.

A guy who is living away up in northern Ontario somewhere, and who has been dying to go somewhere to get out of where he is, happens to pick up "Toronto Today" and read it, and he says: "There is a place for me—and it is Toronto." And down he comes. It just attracts people. I will bet you that during your days on city council you wondered how you were going to cope with all these people who suddenly wanted to live here. Immigration to Canada—where does it go? You know yourself, it goes—

**Mr. Cassidy:** It goes where the jobs are.

**Hon. Mr. Rhodes:** Well, it goes where they think the jobs are too. It goes to Toronto, it goes to Montreal, it goes to Vancouver—and they are starting a little bit now to get into Winnipeg, Calgary and Edmonton, because those cities are becoming more known. The blue-eyed Arabs are doing well out there, as you suggest. But I don't think you can blame the province entirely for what has happened as far as the huge growth that has taken place. If you are going to blame—and that is maybe the wrong word—Toronto itself has created a tremendous atmosphere. People want to be here in Toronto. Can we say to them that they can't come here?

**Mr. Cassidy:** Obviously, you are fairly complacent about what has happened in Toronto. And I am saying that you, as Housing

minister, not directly involved in economic planning for the province as a whole, will have to look at the question of exceptional growth in Metropolitan Toronto if you hope to solve the housing crisis where it is at its most acute—which is right here, within 50 miles of where we are sitting right now.

**Hon. Mr. Rhodes:** I could help the housing situation in Metropolitan Toronto if I could do something about the job opportunities in Nova Scotia, Newfoundland, and other Maritime provinces. Many people who come to Ontario end up in Toronto because of lack of job opportunities in other parts of this country. You know that too.

**Mr. Cassidy:** You could also help the job situation if your government started to say to industry, "Look, we don't want you particularly to come into Metropolitan Toronto. We want you to go to the Soo or to eastern Ontario, or to other parts of the province." If you lose a few to Nova Scotia, that probably helps the problem more than it hurts it.

**Hon. Mr. Rhodes:** You tie it into other things, don't you? You tie it into transportation costs. I suggest you are not going to get someone locating a plant in Timmins or in Thunder Bay or Sault Ste. Marie or in the eastern communities who is going to be making ladies' white gloves. The market isn't there—the market is here. They are not going to pay the cost of bringing the raw material up there, producing it and shipping the goods back again—and the price goes up.

**Mr. Cassidy:** They make brassieres for Canadian firms in Jamaica, they can make ladies' white gloves in Sault Ste. Marie.

**Hon. Mr. Rhodes:** Now you are talking about the cost of labour, and I am sure you don't want to pursue that.

**Mr. Cassidy:** Mr. Chairman, I have made the suggestion and we will pursue it at some other time. The fact is that if industry coming into or expanding in Toronto were made to contribute to some extent to the costs that your ministry will entail in providing housing for the people who take those jobs, then industry might make other decisions and might start to locate in areas of the province where it was cheaper to provide affordable housing.

Let's say, for example, that it costs this ministry \$3,000 or \$4,000 in subsidies and incentive grants and other things like that in order to provide an additional housing unit for a moderate- or low-income family



in the Metro Toronto region, and suppose that for each industry with a primary job there is another service job that is created. You are talking about \$8,000 or \$10,000 in expenditure by the government and the taxpayers and the people of the province, each time an industry adds a job in, say, manufacturing.

In many cases, the person who comes to take that job in manufacturing will have moved from a less favoured part of the province, where the cost to your ministry of getting a house which is affordable for that worker might be only \$2,000 or \$1,000; or by getting the approvals processed and things like that going more effectively, you might be able to get a house provided at no net cost to the ministry. This is the kind of thing you want to look at. This is one of the reasons why we believe in planning and why maybe your people don't. But it is self-defeating for you to sit aside as Minister of Housing.

**Hon. Mr. Rhodes:** This is starting to sound like the estimates of Industry and Tourism. But if you went out and spoke to, for example, the mayor of Scarborough, I am sure you would find right now he is looking forward to development of a transit line that will go out to the Scarborough Town Centre, where he expects to see industrial development. In fact, it was mentioned to me that other developments in the area would adversely affect Scarborough's ability to attract industry into that particular area.

Here is the mayor of a very large borough, who wants very much to have industrial development in his area—and I don't know the circumstances of his borough, so I am not going to challenge whether he is right or wrong—but I wonder what his reaction and the reaction of the people in his borough would be if we said, "No, there will be no industry locating in Scarborough. We are going to make it go somewhere else."

**Mr. Cassidy:** That is not what I said, Mr. Minister. I said you cool it.

**Hon. Mr. Rhodes:** Well, it is the same thing. You are telling him he can't have it when he wants it. He, in turn—and rightly so as the mayor—would want to say to his people, "The industrial base of our community, which would have improved your tax situation, has deteriorated because of the actions of the provincial government, the heavy hand of Queen's Park."

**Mr. Cassidy:** But the fact is, Mr. Minister, we have talked about no-growth and slow-growth policies, which a number of municipalities have been talking about. In your reply last night, you mentioned the slow-growth policy of the city of Toronto, reflected in the 45-ft height bylaw.

The politicians at the municipal level are reflecting, as I certainly sense, that the population as a whole in Metropolitan Toronto has had enough; they have had enough of exceptionally rapid growth and all of the problems of urban congestion and overdevelopment that will come out of it. They begin to see the connection between high land prices and high housing prices and the kind of "growth is great" philosophy which their leaders have carried out for a number of years.

The climate is there for your ministry to be saying to the mayor of Scarborough, "Look, we understand that you are going to have tax problems and we will sit down and try to resolve the tax balance problem; but, in the meantime, we are to slow down the pace, because if we slow it down, everybody can do it better, more cheaply and more effectively."

**Hon. Mr. Rhodes:** You may be able to do that; and if you can do it through discussion, persuasion and what have you, certainly I am prepared to enter into that sort of an avenue. But to come in and decree and to rule and overrule municipal councils, is something I don't think I would be prepared to do.

**Mr. Cassidy:** Okay, I don't want to pursue this point because we don't have that much time, but I am just suggesting to the minister that to try to persuade in terms of industrial location on its own is not sufficient. There are all sort of economic reasons why industry tends to locate in this particular area; in particular, one of them is that they don't have to pay the social infrastructure costs and the indirect costs of that location. But they get the direct economic benefits, which are very great, of being in the Metropolitan Toronto region. There should be a better equation between those indirect costs and the direct economic benefits.

I have two or three quick questions which I want to put to the minister. The first is that there is reference to a large number of ministry research surveys in the notes here. I don't want to mention them specifically, but I would appreciate a commitment from the

ministry that that material will be put on deposit in the ministry's library and made available on a regular basis in future.

**Hon. Mr. Rhodes:** A lot of it is policy research that probably would not be in the library. If it is basic research that was referred to by Mr. Hall earlier in his remarks, then naturally that sort of information would be available.

**Mr. Cassidy:** That will be available?

**Hon. Mr. Rhodes:** If it is research that is not related directly to the development of policy, then I think that would be available.

**Mr. Cassidy:** Okay. You are now saying that is your position as a minister and a ministry. Is that correct?

**Hon. Mr. Rhodes:** Yes, I would say that is my position.

**Mr. Cassidy:** Okay. The estimates referred to a demonstration project on community integration and income transfers and to a community identity programme. Can the minister say what these entail?

[12:45]

**Hon. Mr. Rhodes:** Mr. Burkus will reply.

**Mr. Burkus:** Mr. Chairman, the demonstration project on community integration and income transfers was intended to examine the question of the extent to which we could have better integration within the community of existing public housing projects and, secondly, to examine the feasibility of a general shelter allowance or general rent supplement programme.

That was the purpose of the exercise. Bids were asked from a number of consulting firms to assist us with this project. At the time of the supplementary budget actions, all consulting activity was essentially frozen. At the present time, we are examining the issue as to whether or not funds will be available, given the freeze and reduction in services that the Treasurer (Mr. McKeough) has asked each ministry to respond to and whether this programme will continue utilizing consultants or whether we might be able to find resources within the staff of the ministry to carry on with a somewhat more restricted approach to the matter.

**Mr. Cassidy:** I have wound up questions on this item, except to say don't do those singing commercials again, Mr. Minister.

**Hon. Mr. Rhodes:** You have my unqualified assurance that I never personally will do a singing commercial—

**Mr. Cassidy:** Don't even condone them.

**Hon. Mr. Rhodes:** —on one condition. I didn't recognize the voices on yours. I would like the same concession from them.

**Mrs. M. Campbell:** In listening to what has gone on here today, it seems to me that we are abundantly clear that one of the real indictments of the province is its failure over 32 years to bring forward either a land-use or development plan for the province. We have been promised it over a long period of time and it hasn't come forward. There are two things which affect municipalities and I think it is time we faced up to them.

I would like to have from you information as to the extent to which you are moving to produce such a plan. What, if anything, are you doing about using impact zoning as a tool to enable municipalities to have a very clear picture of the effect of development in their area? As it is now, much of what municipalities are suffering from is instinct rather than any actual proper data on which to assess the effect of development in their area.

The other thing that interests me is that during the course of my campaign I had the fortune or misfortune to have in my riding the former deputy of this ministry.

**Hon. Mr. Rhodes:** You have him running your transit system now, so good luck.

**Mrs. M. Campbell:** I know. Tough bananas. During one of the public meetings in my riding, he addressed to me the question as to whether or not I would be prepared to use the big stick on municipalities. It is, I think, something that is being pushed.

I was at a UDI meeting and I don't know why I was invited, unless they thought they would brainwash me, because the people speaking were Mr. Stricker, Mr. Godfrey, Mr. Warren and Prof. Murray. They were all talking about how we were going to use the big stick against municipalities.

The obvious thing is first to give them a picture with data as to what the effects are. Secondly, you have to sit down with them and work out some financial arrangements. There is no question about it. They cannot possibly continue to survive, now that they have the further restrictions enunciated by the Treasurer. I would like to know what you foresee is the effect on attracting housing



into municipal areas as a result of the five per cent announcement of the Treasurer.

It is interesting to me too that again during the course of my campaign—campaigns are very important things in gaining information as well as giving it—I was advised that at a meeting one of the planners of Ontario Housing had taken the position that you had to be very careful in the development of new housing lest you affect the market in existing housing. I would like a comment from the minister as to whether that is any part of the philosophy of this ministry or whether perhaps there has been a dichotomy.

I would like to know, for example, whether it was this philosophy which caused your ministry not to move in Whitby where, as you know, they have a provision in their subdivision control bylaws that there must be 25 per cent available for public housing. They offered the land at cost to the province but the province was disinterested in developing those lots. This was, I must say, confirmed at this same public meeting.

When we talk about municipalities I think we have to be awfully clear about what we are talking about. Those lots eventually were developed privately and the opportunity for building on low-cost land—I am speaking comparatively, of course—was lost because of the lack of provincial concern in the housing field as I understand it.

What Mr. Cassidy was saying is interesting. He was talking about the high cost of land in the Metro area. I would like to point out that it does seem to me the opposite is actually true and it may be one of the reasons why people are attracted to the Metropolitan area. That is because the high cost of servicing land is out of sight in this province. When we are developing facilities on land which is reasonably pliable land—if that is the proper expression—it is amazing that the costs of servicing in this province are substantially higher than anywhere else in Canada, as I understand it. I wonder why and I wonder whether the ministry has done any investigation to try to answer that question?

I think, if you look at it, probably the land in Metropolitan Toronto is not as high as it is in other areas when you have to service it. You have serviced land here and that is one of the real reasons people have moved rather flexibly into this area, as I see it if you develop the cost picture.

It is interesting to me, looking at the survey material you have, that again you see

what is happening with municipalities. It is an answer to all of these questions that your recommended development—in the survey contained on page 23—is 495 senior citizen units and of the combined family and senior citizen units you have 404 senior units.

This is telling you, Mr. Minister, the story of the municipalities today. They do not see senior citizen housing as needing the kinds of soft services required when you build family units. With all the talking in the world, about whether you use the big stick or whether you don't use the big stick, surely the first thing you do is to make it palatable financially for municipalities to accept family units which are so desperately needed.

When I hear the Treasurer making announcements, I wonder what happens at a caucus before these announcements are made and what thrust there is from this ministry to point out that any cutbacks to municipalities is only going to have a devastating effect on housing, and that has to be your experience.

When you look at all of the developments which have taken place, you have to realize that the bulk of the recent units has been for senior citizens. I am not saying there should not be senior citizen housing—let's not go away with that impression—I'm saying that in Toronto, for example, with the crying need, particularly in the downtown area where housing is being demolished because people are unable to meet standards and they are taking the housing out because they can't do anything else with it really, people are unable to find places to live.

Toronto has always led the way in trying to accommodate to the social necessity of housing for people. I get so tired of people also saying that it's the local politicians and the local communities who fight it, because I am really very proud of the fact that the first public housing you got in this country was as a result of the plebiscite of the people of the city of Toronto.

Mr. Cassidy was talking the other night about who voted. At that point in time, if memory serves me, only homeowners had the right to vote, if I'm not mistaken. It was much later in time that tenants and others had the right to vote. So it was, if you like, what he referred to as "the establishment" who voted on the plebiscite for public housing in the city of Toronto, and I think sometimes these facts become obscured in some of the comments which are made in the course of debate.



These were people who were paying taxes; they were people who owned their homes. There were also businesses, yes; there were some business votes at that point, but they were not as a rule tenant votes, and yet they supported the development of Regent Park North as the first public housing complex in Canada. Toronto has always taken a very deep responsibility in this housing field.

I think, quite frankly, it is unfortunate that because of the lack of provincial thrust in the city, that the city itself has gotten enmeshed in housing programmes which are really not producing housing for the people who most deeply need it. We all know the effects of the rental costs and the housing costs as a result of the city trying desperately to use whatever means it has to improve the lot of the people in the city core.

It's one of the reasons I asked the question, or followed the questioning of Mr. Givens in the House on this whole matter of the relocation of the tracks south of the Union Station, to enable the government to move reasonably rapidly in the provision of housing, and why I find it so sad that at this point in time, at least, this government appears to be psyched-in for development of increasing use of the GO-Urban service, to such an extent that that will exclude, to all intents and purposes, housing development in that area.

I see that we are at 1 o'clock. If I may continue on Monday, I have further remarks in this area.

[1:00]

Mr. Chairman: All right.

Hon. Mr. Rhodes: Just before we do go, Mrs. Campbell, you mentioned property in Whitby.

Mrs. M. Campbell: That's right.

Hon. Mr. Rhodes: It is our feeling that at that particular meeting which you attended—I wasn't there so I'm not sure what was said—that there were two different topics being talked about. We're familiar with the situation in Whitby, but it had nothing to do with land. There was a land situation in Mississauga—

Mrs. M. Campbell: No.

Hon. Mr. Rhodes: In the Whitby situation, as we know it, we wanted to put in 25 per cent of the units as rental and the Whitby council passed a bylaw limiting us to five per cent, and we built them.

Mrs. M. Campbell: The difficulty is I think there were two situations there. One was a highrise apartment development which was in an area where there was no transportation or anything else; I am not referring to that. I'm referring to the subdivision lots that were made available; they provided that 25 per cent should be offered to OHC at cost so that they could develop and integrate the housing within their subdivision. When I spoke to your former deputy, he confirmed that situation.

Hon. Mr. Rhodes: I don't want to prolong it; I'd like to look into that—

Mrs. M. Campbell: I'd like to too.

Hon. Mr. Rhodes: —because I'd like to find out exactly what was going on.

Mr. Chairman: I'd like to inform the committee that I did not talk to all House leaders this morning regarding time; however, I did talk to the government House leader and we find now that we have two days left. We actually lost about 2½ hours yesterday, by my calculations. I guess we can all blame ourselves, because the bells went for an hour.

Mrs. M. Campbell: We were there.

Mr. Chairman: Right. Well, whoever was there.

Mr. Cassidy: That's not this committee's fault.

Mrs. M. Campbell: No.

Mr. Chairman: That's right. So I am wondering if is there any extra time during Monday or during Thursday that we could sit to gain that extra time, as the order paper will only show two days left for this committee?

Mrs. M. Campbell: Monday night was suggested.

Mr. Cassidy: Mr. Chairman, I would suggest that we consider sitting on Monday evening, although I wouldn't mind hearing the landlords at their mass meeting as well.

Hon. Mr. Rhodes: The landlords where?

Mr. Cassidy: They are having a mass meeting downtown.

Hon. Mr. Rhodes: On Monday? I didn't know about that.

Mr. Cassidy: Now you know.

**Mr. Chairman:** Well, probably the way to get at this would be to ask, first of all, if it would be possible for the minister to be here Monday morning or Monday night or Thursday morning?

**Hon. Mr. Rhodes:** Monday morning? Yes. I can be here Monday morning and I'm prepared to be here all day Thursday, because we had changed Tuesday to Thursday.

**Mr. Chairman:** Right. I have agreement that we can switch the last day from Tuesday to Thursday.

**Mr. Cassidy:** Yes.

**Mr. Hall:** We are replacing Tuesday with Thursday.

**Mr. Chairman:** Yes, we are replacing Tuesday with Thursday, and I think we'd have to extend that time either on Monday or on Thursday.

**Mr. Cassidy:** Or both.

**Hon. Mr. Rhodes:** We're going to sit all day Thursday, aren't we?

**Mr. Chairman:** Yes, actually it is a sitting day and we can sit whenever we want to in the day.

**Mr. Cassidy:** I would suggest, Mr. Chairman, that we consider, then, Monday morning at 10 o'clock or whatever. I'm prepared to get in on time.

**Hon. Mr. Rhodes:** Yes, I'll be here all day.

**Mr. Cassidy:** —and Thursday. If people are unhappy about Monday evening because of commitments, then maybe we might agree in advance to sit again also on the Thursday morning.

**Hon. Mr. Rhodes:** I thought we were going to sit all day Thursday.

**Mr. Chairman:** When we say all day, usually we say Thursday afternoon and Thursday evening.

**Hon. Mr. Rhodes:** That's what I meant; I meant Thursday afternoon and evening.

**Mr. Cassidy:** But if we sat on Monday morning and Thursday morning, it would still

be a pretty short period of time to put this minister under fire.

**Mr. Chairman:** I would like to hear from other members of this committee. I heard Mr. Cassidy. What would you like to do? As it stands now, we'll be meeting Monday afternoon and we will be meeting Thursday afternoon and evening.

**Mrs. Gigantes:** And Monday morning at 10?

**Mr. Chairman:** Is it the wish of the committee to meet at 10 o'clock Monday morning?

**Mr. Williams:** Could we meet Monday evening instead of in the afternoon?

**Mr. Chairman:** I don't think the minister can be here.

**Hon. Mr. Rhodes:** Monday evening, I think, would be rather difficult for a number of people. For my part, I would much prefer to sit Monday morning.

**Mr. Cassidy:** So would I.

**Hon. Mr. Rhodes:** Monday morning and Monday afternoon would be fine with me.

**Mr. Cassidy:** Mr. Chairman, can we decide about Monday morning now and consider the question of Thursday morning at our meeting on Monday afternoon?

**Mr. Chairman:** It would be nice to get it all settled, but—

**Mr. Hall:** Mr. Chairman, I am satisfied to sit Monday morning and in the afternoon, so the minister can meet his other obligations on Monday night.

**Hon. Mr. Rhodes:** And Thursday afternoon and evening.

**Mr. Hall:** We have already agreed that you can't be here on Tuesday.

**Mr. Chairman:** So it's agreed that the committee will meet at 10 o'clock on Monday morning.

The committee adjourned at 1:05 p.m.

## CONTENTS

---

Friday, November 21, 1975

Ministry administration programme .....	S-517
Adjournment .....	S-537

## SPEAKERS IN THIS ISSUE

---

Angus, I (Fort William NDP)  
 Campbell, M. (St. George L)  
 Cassidy, M. (Ottawa Centre NDP)  
 Gigantes, E. (Carleton East NDP)  
 Haggerty, R. (Erie L)  
 Hall, R. (Lincoln L)  
 Newman, B. (Windsor-Walkerville L)  
 Rhodes, Hon. J. R. Housing (Sault Ste. Marie PC)  
 Singer, V. M. (Wilson Heights L)  
 Wildman, B. (Algoma NDP)  
 Williams, J. (Oriole PC)

### Ministry officials taking part

Burkus J., Executive Co-ordinator, Policy and Programme Development Secretariat  
 Campbell, S., Planning and Evaluation Co-ordinator  
 Crosbie, D. A., Deputy Minister





Government  
Publications

# Legislature of Ontario Debates

*legislative assembly*

**SUPPLY COMMITTEE**

**ESTIMATES, MINISTRY OF HOUSING**

OFFICIAL REPORT — DAILY EDITION

First Session of the Thirtieth Legislature

**Monday, November 24, 1975**

**Morning Session**

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975

## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MGS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.

## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

---

MONDAY, NOVEMBER 24, 1975

The committee met at 10:14 a.m.

#### ESTIMATES, MINISTRY OF HOUSING (continued)

On vote 801:

**Mr. Chairman:** I call the committee to order and I will say good Monday morning, Mr. Minister and members of the committee. I believe we were still on vote 801. Mrs. Campbell, I think you were in full flight when we ended our session on Friday, do you wish to continue?

**Mrs. M. Campbell:** Yes, Mr. Chairman, I do. I would like to state first that I did try to make some points on Friday in somewhat of a shorthand fashion because, with the peripatetic nature of this Legislature, I wasn't sure whether I would be able to be present when you reconvened.

I would, therefore, ask that I might be permitted to elaborate on one of the items I mentioned and that was the cost of servicing. I now have some further information I'd like to point out that it seems to me that when we look at the figures which we have from Central Mortgage and Housing Corp. the general estimate for full servicing—complete underground services; roads; sidewalks; underground wiring—is \$150 to \$160 per running foot in the Metro area. It is the same in the Oshawa area, with slightly higher costs in the Kingston area; and yet in Halifax, where you have to blast for most of your services, I understand it's running at between \$120 and \$130.

[10:15]

I would suggest that it seems to me that this ministry, together with Central Mortgage and Housing Corp., ought to undertake an inquiry as to why the costs of servicing are so much higher in an area where the land itself doesn't seem to indicate the need for any special type of expansion such as the blasting in Halifax.

In talking about municipalities, I would like to refer to an article entitled, "Urban Canada: Problems and Prospects," which is a

report prepared by Mr. Lithwick for Mr. Andras. He says in part:

At a time when municipal budgets are under severe strain the procedure inevitably adopted by the council is to defer these capital works longer than would otherwise be desirable. Such action aggravates the shortage of available building land and puts a further premium on the limited amount which is marketed. The returns are almost unanimous in listing the financing of municipal works as one of the most serious problems affecting future urban growth and, more specifically, the supply and cost of land for housing.

Following that, I would just like to speak to you about a letter which I received from Mr. Jones, a barrister and solicitor in the Oshawa area, in which he discusses the new thrust of municipalities to increase their levies and the effect on the small builders in areas such as that. He has enclosed to me notices of proposed bylaws which tend to confirm what he has to say.

One of the notices that he sends to me relates to bylaws passed by the regional municipality of Durham, wherein the region is trying to place an additional levy of \$900 per unit on pre-zoned land. "The levy is to be payable at the time sanitary sewer and water connections are applied for," he writes. "On a 100-unit apartment building this means a \$90,000 cash payment. Then we have the further information that "the city of Oshawa levy is \$1,500, so that together it makes a present levy of \$2,700, soon to be increased to \$3,000 if the region is successful."

The above levy, according to Mr. Jones, is the highest in Ontario except for the town of Whitby which we understand averages around \$3,500 per unit. The town of Whitby levy depends upon the size of the housing unit; the smaller the housing unit, the higher the levy. And he poses the question, "Isn't this absurd when one is looking for lower-cost housing?"

I just point that out as an example of the fact that the province must come to grips with the problems which municipalities have in trying to finance additional housing in



their areas. It is specious, in my opinion, for any government to sit back and take a flat position that municipalities are unwilling to have additional housing of whatever kind in their areas. I am not sure that perhaps we shouldn't—if we have questions of this type—be involved in having an official inquiry as to these servicing costs if we really are dedicated to getting on with the business of housing people in this province.

There is another matter that I would like to draw to your attention. I understand the ministry has acquired some town sites, one of which is in Cayuga. Could the minister advise whether or not there has been an independent report on this matter, and whether the report—if it exists—does advise against a development of that nature in that area? And what is the ministry's attitude to this kind of development?

As we know, the new document which has been tabled in the House just recently indicates a very strong criticism, if not an indictment of the landbanking policies of this province. It urges that the province get on with ensuring servicing of these lands for the provision of housing, rather than landbanking. I would like some comment on the minister's position with reference to this item.

Mr. Minister, I think at this point I have covered the matters in this particular vote which are of immediate concern to me. I would trust that we might be able to have some answers.

I am somewhat at a loss on one item. I got the instant Hansard, but the instant Hansard isn't complete. I am not sure, but I believe that I referred to our concerns about the apparent lack of co-ordination between transportation planning and land-use planning, particularly as it refers to the area which was once known as Metro Centre.

The minister did say he was trying to get the intergovernmental committee back again; but I am still concerned to know that we will not be in the position where we will see money spent on immediate costs for changes at Bathurst and at the Union Station before we have had the opportunity of looking at land-use planning, particularly with a view to the provision of housing of a mixed kind in an area where there is very little that has to be done to provide the housing, and where one could almost talk about instant housing as though it were to be a reality instead of an expectation in the next 100 years.

I think the minister, Mr. Chairman, is in a great position to have input in this situ-

ation in view of his experience with the whole field of transportation and communication, and now his new experience in the housing and planning area. I would like some assurances that he at least would have input into the land-use planning situation in that area prior to the development of the enlarged GO-Urban system. I would also like to have his observations as they relate to the housing content of that area, as to whether he believes that increasing the GO-Urban facility is not in itself, in part at least, creating further centralization in the Metropolitan area. We recognize the fact there must be some improvement just to look after the situation which is currently with us, but I'd like to know who is looking at the long-term effect of any enlargement of that kind of service and whether in fact it's not counter-productive in trying to look at the development in other parts of Ontario and the decentralization away from the Metropolitan core.

I think that is all I have to say usefully on this particular vote. I hope I can have some answers because I may not be able to be here when the minister does answer at a later date.

**Mr. Chairman:** Thank you, Mrs. Campbell. I am sure the minister will have some answers on questions you asked on the previous day, too.

**Mrs. M. Campbell:** Thank you.

**Hon. Mr. Rhodes:** I'm going to have to apologize to a degree. The book I had on Friday has some notes in it from comments you made earlier and they've gone to get me that book now. But I would like to comment in part on some of the points you've raised.

First of all, there was one particular point I asked staff to get me some information on; the situation involving the land at Whitby. I was a little concerned about the points that were made.

If I understand—and I'm trying to remember correctly back to Friday now and please correct me if I misunderstand—you were inquiring as to why OHC had declined the offer from Whitby that OHC buy five per cent of the lots in a subdivision owned by a company in Whitby, which land, under agreement, was to be made available to OHC at less than the market price for public housing purposes.

**Mrs. M. Campbell:** My information was that their subdivision bylaw provides for 25 per cent of their subdivision development to be

developed for subsidized housing and that they did have those lots available in at least one subdivision. Is it only five per cent?

**Hon. Mr. Rhodes:** It's five per cent, that's right.

**Mrs. M. Campbell:** I stand corrected, although I thought my information came from a very sound source, as you may imagine.

**Hon. Mr. Rhodes:** Well, Desmond has been known to be wrong before.

The agreement between Whitby and the developers provided for lots to be available to OHC at a price of \$18,250 each. The board of OHC looked at the proposal, looked at the high price and considered that that price, together with the fact that the lots were for single-family, detached units, would project an unusually high subsidy. On that basis they declined, and in responding to the town they indicated their support for the city's approach in this case, but suggested that the city attempt to acquire sites upon which semi-detached or townhousing units could be built at a more reasonable price. That was in that particular case.

In the other one you mentioned that you understood Whitby had declined to accept the 25 per cent rent supplement component for a 352-unit project being built—

**Mrs. M. Campbell:** No, I didn't say that.

**Hon. Mr. Rhodes:** I understood there were two parts to it, Mrs. Campbell. I may be wrong. You were talking about a building that wasn't being built because of transportation problems.

**Mrs. M. Campbell:** You referred to the highrise unit, and I merely pointed out that what I was talking about was not that high-rise unit—I pointed out that I was aware of the highrise unit and that it was to be built in an area without transportation and in a somewhat isolated area, but I did not comment at all on what the town had done about it. I simply pointed out that I was not discussing that particular building, although I was aware of it.

**Hon. Mr. Rhodes:** All right, fine. We'll let that go because that's my misunderstanding. I thought you had mentioned that particular development as being one of the problem areas. It was for us, but it's there—

**Mrs. M. Campbell:** It's good for both of us to be wrong, I guess on occasion.

**Hon. Mr. Rhodes:** Oh, yes. Unlike many I don't pretend to be perfect.  
[10:30]

**Mrs. M. Campbell:** I don't either.

**Hon. Mr. Rhodes:** I know you don't. Anyway on that first particular item there was the question of the high subsidy which would be involved per unit. We felt it would be better to have the town's policy continue, that is developing semi-detached townhouses to provide more housing on the same amount of land.

You mentioned the cost of servicing. I think we're all aware of the cost of servicing. I was most interested in your figures of \$120 a ft in Halifax. That's a figure I had not heard. You talked about blasting rock and I've had some experience of that myself. You mentioned the city of Oshawa. Not too many years ago a comparison was done between two cities, one of which was Oshawa, and it was determined that the cost of servicing was almost doubled if you had to blast through rock or had other different problems with the ground.

I wish one of the members for Sudbury was here. I think they could give you some very interesting figures on the cost of servicing per foot in the Sudbury area. It's certainly much higher, I would think, than \$150 per ft.

One particular survey or study I was involved in—it was a minor study—showed that the costs were related to a number of things; primarily the type of land you intended to put the services into and, secondly, what the labour costs were in any particular area. Halifax is an interesting one. I have never heard those figures and I would like to find out how they arrive at those costs and if they're talking about the same type of services you and I are talking about.

There seems to be a question of whether municipalities are holding up housing or not. In some cases, I think, there is no question that the municipalities are saying, "We can't afford to put these services in;" and as a result the subdivisions are not approved and the building is not carried out. But there are a number of places where municipalities do feel the units should be close to paying their own way within the municipality.

It is interesting; this morning in my office I met a delegation from a particular municipality which is setting a standard for the minimum size of the lot which could be built on. It had 125 ft frontage and the minimum size of the house which could be



built in that municipality was 1,200 sq ft. That was the very smallest. They were doing that for the purpose of saying the unit would pay its own way.

This is a large municipality in area; it is more of a rural municipality. They made no bones about it—they wanted to hold down the amount of development taking place in their area and whatever was going to be there had to be up to the standard they had set. That's the sort of thing which discourages many people. I found out very quickly that if I was to pick up my house and move it out of Sault Ste. Marie, I would not be acceptable in their township. My house is too small.

**Mrs. M. Campbell:** It is your house that wouldn't be accepted; not you?

**Hon. Mr. Rhodes:** That's right. It would be too small. No, my house is too small.

**Mr. Cassidy:** Now that he's been elected a second time.

**Hon. Mr. Rhodes:** You and I are running neck and neck right now; twice up, twice successful. You never know what's going to happen next time.

**Mr. Cassidy:** You were just lucky. My riding is bigger than yours this time.

**Hon. Mr. Rhodes:** I wouldn't doubt that a bit. Mine didn't have anywhere to go.

**Mr. Chairman:** Is this on one, two or three?

**Hon. Mr. Rhodes:** This is on four.

I want to come back to Cayuga, Mrs. Campbell. Cayuga itself has been acquired by Treasury and is in limbo right now. Nothing is happening because the region had decided that Townsend was the way to go, so the Ministry of Government Services is simply hold ing that land. It's for agricultural purposes until such time as it's decided what will be done there.

**Mrs. M. Campbell:** Was there a study done on it?

**Hon. Mr. Rhodes:** To the best of my knowledge, no. I'd have to turn to Mr. Wronski to determine whether a study has been done on the Cayuga site.

**Mr. Wronski:** There is a study ongoing, Mr. Chairman. This is the study which the region is undertaking for the preparation of—

**Mr. Chairman:** Excuse me, could you get a little closer to the mike, please?

**Mrs. M. Campbell:** Don't be shy.

**Mr. Wronski:** I thought my voice carried. Mr. Chairman, there is a study ongoing during the preparation of the regional plan. The regional strategy will decide at what time and when Cayuga will come on stream, as it will then show any other form of development.

**Mrs. M. Campbell:** Mr. Chairman, thank you. I'm somewhat at a disadvantage. You may or you may not recall that I raised the issue of impact zoning, and since your book isn't here with your notes—

**Hon. Mr. Rhodes:** It is now.

**Mrs. M. Campbell:** It is now. While you look at it, I would just like to point out to you that one of the major costs is the cost of storm sewers. It has been stated—and I don't know with what degree of accuracy, but I put the figure to you—that if one looked at the contour of the lands in doing his developing of any given area, one could save 40 per cent of the cost of storm sewers by taking into consideration the natural flow in the land itself. I should give you time, I suppose, to look at what I said.

That, of course, only refers to the topographical data and not to all the other data which is available, as I understand it, through the federal government, for purposes of assessing on the impact zoning basis. The value of impact zoning, as experience has shown, is that once you get it into place, you can approve plans within a matter of two weeks instead of four years, which in itself has to be a saving in dollars at the cost of dollars today, and a saving to people in putting housing on stream.

**Hon. Mr. Rhodes:** I'm going to have to pass on that; I am not familiar with it. I will ask Mr. Wronski to hopefully maybe—

**Mrs. M. Campbell:** I did have a casual word with him in which he said you weren't using it too much—at least that was my understanding.

**Mr. Wronski:** That is quite correct. We are not involved in very profound or far-reaching studies, but as the minister already outlined at the beginning, we are now involved in the total consideration of the various standards for land development, on the basis of the original report which was prepared by the housing advisory committee. We are now involved with the municipal engineers dealing with the question of the runoff from de-



veloped land. Of course, many techniques have been developed, none yet proved, so we hope that within the near future we will be able at least to impact the municipalities by giving them direction, or at least examples, of this extremely costly situation where the runoff or the storm water—which is calculated now on the basis of the knowledge from at least 50 years' storms—could be somewhat modified. But at the moment we are not using that to any large extent.

**Mrs. M. Campbell:** I wasn't referring to it on only that basis. My understanding is that in Canada we are very much further ahead than the United States in developing the data necessary on all sides—the sociological, financial, economic; the whole bag if you like. I would like to know why we would pick out only one. Are you working at all with the federal government and with its data, in order to try to develop that development plan or land-use plan which we've been promised for so long? When are we getting that plan, incidentally, for review by the Legislature, after 32 years?

**Mr. Wronski:** Of course, Mrs. Campbell does realize, I am quite sure, that the responsibility for preparation of the plan lies with the Treasurer (Mr. McKeough), not with the Ministry of Housing.

**Mrs. M. Campbell:** Yes, I know, but you should be pushing.

**Mr. Wronski:** We are indeed pushing, because it is extremely important, if we are to have any impact on local policies, that we have provincial policies in place. So we are pushing and we are engaged with TEIGA on all aspects of preparation of the plan.

**Mrs. M. Campbell:** Well then, is it a cabinet secret? Perhaps I should get back to the minister, if that's the case, on the question of where we stand in trying to get this available data into place, so that we can look at the possibilities of having land available for development on a data basis and so that the municipalities are not trying to fly by the seat of their you know what—

**Hon. Mr. Rhodes:** "Pants" isn't a dirty word.

**Mrs. M. Campbell:** —but are really understanding what the effects are on them of any proposed development.

**Hon. Mr. Rhodes:** I must confess to you, Mrs. Campbell, that I am not aware of this. I've just asked Mr. Burkus, who is involved in research and development, and I don't

think he is totally aware of what you are commenting on either. So if there is something that we are not aware of and that we should be finding out about—and finding out where the source of this information is and how it developed—we should certainly be involved. I gather you said it was federal?

**Mrs. M. Campbell:** You mean research has not done anything about the whole question of impact zoning.

**Hon. Mr. Rhodes:** I gather you said that there was something being done at the federal level in this area. Did you say that earlier?

**Mrs. M. Campbell:** No. I'm saying that I understand the data is available at the federal level to a greater degree than it is in the United States, and yet they are moving ahead in the impact zoning field. I believe we have one area where we have used impact zoning in a very primitive—well, that's perhaps not fair—but a very elementary level, in the Bramalea area, but that it has not been used in other areas because legislation isn't in place.

**Mr. Wronski:** Maybe it will help the committee if I add another detail. Yes, indeed, in Bramalea the totality of the zoning and impact of development on the surrounding lands have been studied, but as Mrs. Campbell said it was very rudimentary. We are, however, undertaking—

**Mrs. M. Campbell:** That's a better word than I used.

**Mr. Wronski:** We are undertaking a very thorough investigation at this moment on the North Pickering site, where, first of all, a study of the economic and social impact of a new community on the totality of the region is being carried out. During the preparation of the plan the environmental impact of land development on all the environmental features such as rivers, water courses, agriculture, has already been done. Apart from that, the province, at the moment, as you know, under the Environmental Assessment Act, is approaching that stage where all this data will be used.

**Hon. Mr. Rhodes:** Mrs. Campbell, on Friday you asked why the thrust for senior citizens' unit development.

**Mrs. M. Campbell:** I didn't ask you why; I pointed out that it was obvious from your survey, reported on page 23 in your book, that the senior citizen units are far more acceptable to municipalities, again because of the economics of this situation, in that

they don't feel they need to provide so many soft services there as they do if you are involved in family units.

**Hon. Mr. Rhodes:** I don't think you can say that is a broad-brush approach right across the province. There are many communities in Ontario today, especially in parts of the municipalities—in the smaller communities, aside say from the Toronto area—in a lot of the smaller communities where, as you well know, the downtown cores have been suffering as a result of the suburban development and the development of shopping plazas and what have you. So in many downtown core areas there are schools that have space in them and there are library facilities that are not being used to their full extent. Many of these soft services are there, even to the point of hospitals, which in many cases are located in the downtown areas in many of the small communities.

But what is happening in the question of senior citizen housing is that the senior citizens' units are considered to be more acceptable not only for the financial reasons of supplying the soft services, but many people who live in the particular community prefer to see the senior citizens' units as opposed to the family units because they feel that they are more socially acceptable.

I don't like to use that phrase but it is true. People would rather have someone who reminds them of their grandmother or their grandfather living next door than they would someone who reminds them of themselves with three or four children. They just don't like that. They object to it, and they object most strenuously. I have had experiences, as I'm sure others in this room have had, where a municipal council will be looking at the possibility of rezoning land for family units only to have the delegations appear and say, they'd be quite happy to accept that as senior citizens' units but not as family housing. The alternative, as I see it, is; well fine, at least we are going to get some units built; we'll build the senior citizens' units and perhaps then we can get people who are now living in apartments, or in their own homes but would prefer to sell their homes, to take their equity and move into accommodation for senior citizens. At least we are trading some stock that will be available to young families coming along who want to buy the older homes or move into apartments that will be vacated and which may be too difficult for the senior citizens to handle with their present income.

So that's a direction that I have looked at. Maybe that's a good direction in which to go.

If I can get some units built, even for senior citizens—units which we need in many areas—it may free up some other stock.

[10:45]

**Mrs. M. Campbell:** Mr. Chairman, I think I made the comment that I don't want anyone to go away with the idea I am opposed to senior citizen housing.

**Hon. Mr. Rhodes:** No, I know you are not.

**Mrs. M. Campbell:** However, I am concerned about the minister's suggestion that we are still engaged—and Central Mortgage and Housing Corp. is too, it is not just this ministry—in trying to look at housing on the basis of the filtering down process. I have attended these particular conferences on housing, for it seems to me now 100 years, and I think at least 20 years ago the filtering down process was fully discredited as a method of providing housing. I don't think it works and I would like to know if the minister knows anywhere where it has worked.

In every report from everywhere in the world presented at the conferences at which I have been present—and I think Mr. Wronski has also been present at some of them—the filtering down process just has been totally discredited.

I point out again that in talking to municipal people—unless, of course, you are making presumptions—on the basis of what they say it is not the fact that they prefer senior citizen housing because of the sociological aspects, but simply on the hard, cold facts that they don't require the ongoing services that family units require. Yet the need for family units is desperate, just desperate. Now I don't know if it is across the province; I have to speak as a Metropolitan person, you will have to understand that.

**Hon. Mr. Rhodes:** Yes, I can appreciate that. I know the major problems lie in these larger municipalities. Again, though, I want to come back to the point that when you talk about the desperate need for these—and you are right on; there is no question about that in many areas—the method that OHC has used over the years has been to have municipalities request that a survey be done in their particular area as to the need.

**Mrs. Campbell:** They need a survey?

**Hon. Mr. Rhodes:** We have asked the municipalities. I don't think you can have it both ways. We are going to have to com-



municate with the municipalities, as has been suggested, and discuss their problems and hopefully work with them to solve them. I think that you agree with that philosophy. So we say to the municipalities: "What are your needs?"

Now, surely to goodness the municipalities will be aware of what their needs are. As you suggest, maybe no survey is needed; but we find the requests coming in to OHC are not for large family-unit developments, but for senior citizen developments.

I should point out for the committee that my deputy, Mr. Crosbie, and the assistant deputy, Mr. Riggs, are now in Ottawa attending a meeting with officials prior to tomorrow's meeting. That's why they are not here. But I think Mr. Rose can back me up on this. We have a request in now from Metropolitan Toronto—it may be the various areas—for about 1,800 units of senior citizen housing.

**Mrs. M. Campbell:** Of course, because that is their jurisdiction. Metropolitan Toronto is only in the senior citizen field.

**Hon. Mr. Rhodes:** Agreed.

**Mrs. M. Campbell:** But it is significant, it seems to me, that Toronto has gone back into the housing field, having given it up—much to my chagrin and regret. They are developing, to a large extent, the family units. So telling me that Metro wants more senior citizen housing doesn't tell me anything. They have no jurisdiction in any other area.

**Hon. Mr. Rhodes:** Mr. Rose has some interesting figures Mrs. Campbell, concerning family units that I think he should pass along to you.

**Mr. Rose:** We have a standing order from the Metropolitan Toronto government to provide 4,000 family units a year; they have not changed that demand and we still have an obligation, where possible, to provide it. I think at present we are providing it, not through a direct construction programme but through the rent supplement programme, the accelerated family rental housing programme and more indirect programmes, rather than the actual construction of projects in Metro.

**Mrs. M. Campbell:** I know that there are those who feel that Toronto gets an undue kind of influence around here. I am afraid that it will continue to get it as long as I have breath in my body.

If only you could sit in my office on a daily basis and listen to the stories I hear of people who cannot get into housing. I

have one today: An application has been in for seven years; a mother with five children is being evicted at the end of this month, and everybody is throwing up their hands in horror.

We are not beginning to meet the needs in this area. Certainly the limited dividend programme, which the previous minister looked to with such glee, in my opinion is not going to provide housing for the poor unless you build in some tremendous subsidies for which you don't already have provision.

Your rental supplement programme is effective to a degree in Toronto, but it doesn't begin to meet the needs and the units are not there for large families. Don't tell me, don't anybody tell me, that Toronto has been reluctant to see family housing in its core city; that is not the case. But they have had to go on a direct basis with the federal government because of the slowness of the provincial government in meeting their demands and needs.

**Hon. Mr. Rhodes:** Oh well, I don't think that is totally correct either, Mrs. Campbell.

**Mrs. M. Campbell:** It may not be totally correct; we are all exaggerating a little, I suppose.

**Hon. Mr. Rhodes:** That's correct. I am hoping to avoid that exaggeration as much as possible because I don't think the exaggerations are going to help any of us. I think if we can be closer to fact we are all going to get along a lot better. I will try to be as close to fact as I possibly can; I know you will, at least I hope you will.

**Mrs. M. Campbell:** I try always to be responsible in my statements.

**Hon. Mr. Rhodes:** Then don't confess exaggeration, Margaret.

**Mrs. M. Campbell:** I don't think I confessed it; I think I simply said there could be elements in it.

**Hon. Mr. Rhodes:** There is no point in my attempting—and I am not going to attempt—to get into a discussion or debate on the numbers of units that are needed or the numbers of units that have not been supplied. I think it is sufficient to say, from all of our points of views, we recognize there is a need, that the need is there and the need has to be met.

The thing I have in the back of my mind all the time is, are there sufficient funds anywhere to meet the overall need? I don't know. I hope so; I hope we can. I hope the



decentralization we all talk about, but for which no one really seems to have any solutions, will take place. Unless we are prepared, as has been suggested, to have the province simply step in and take over complete control as to where people will go, where they will be housed, where industry will locate and all these things, I don't know how we are ever going to catch up to the growth that's taking place in Metro as it exists. There are thousands of people coming here; I don't know how you are going to supply sufficient units per year to handle the influx of people into this community. It is just fantastic.

**Mrs. M. Campbell:** Mr. Chairman, I think all of the articles I have read recently indicate that in Metropolitan Toronto itself, if you can isolate it against Mississauga and all these other areas, growth is slowing down.

But then I come back to the fact that wouldn't it be dandy if we could almost immediately get on with the provision of 10,000 units in an area that doesn't need too much to get it going. If we could use the 178 acres and with that provide 38 acres of parkland and still provide 10,000 units by the relocation of railway tracks—and I'm advised the cost of relocating those tracks in the final analysis will not be greater than the cost of what one of the committees has proposed for the Bathurst St. work, the extension of the Union Station and other areas—I would think that would be a case where you would have an immediate and urgent thrust.

I think the other thing the minister, deliberately and perhaps properly has not commented on, is the effect of the statements of the Treasurer (Mr. McKeough) about municipal funding. You may recall I invited myself to be a fly on the wall in a Tory caucus one day to see what kind of input the Housing minister had in the development of that stated policy by the Treasurer.

Perhaps it is unfair to ask the minister to comment, but it does seem to me that statement is counter-productive, if one is looking at the housing field.

**Hon. Mr. Rhodes:** Back we come again of course to a comment that you made on Friday. It's a question of priorities.

I don't think there is any question about what is happening as far the availability of money is concerned at all levels of government and the demands that are being made by the public at large that government cut back on its spending. I don't think that can be pointed strictly at the federal government

or the provincial government or the municipal governments in isolation. It has to be all of us. It's not a request any more, it's a demand that there be a reduction in spending.

The obvious thing to do is to go to priorities. From my point of view, whether I'm the Minister of Housing or whether I'm just John Q. Citizen, one of the priorities in this province is housing and I would think the municipalities are going to be in this financial squeeze, as we all are, so then some responsibility lies upon them to reassess their priorities. In many areas of this province the priority situation has got to the point where people in municipal governments are not looking at the basic priorities.

Perhaps this is going to have to happen now. There just isn't going to be money available. It just isn't available unless we are all ready to accept substantial tax increases to generate the funds to carry on. I think we've just reached the point where we are going to have to reassess priorities at all levels of government and start providing the basics—and housing certainly has to be one of those.

**Mrs. M. Campbell:** As one of those in a party that was mocked to a large degree in the last campaign in wanting to cut costs and still produce housing, my answer is simply that we have to look not only at inflation but we have to look at questions of employment.

Surely the needs of our people, the unemployment levels that we have and the inflation levels that we have certainly indicate that one of the areas which would not be counter-productive would be the development of housing. The need is there, the unemployment is there; and granted the inflation is there; but then you know that at least part of your problem in the development of housing, and I recognize it, is that this government has never faced the issue of the financial problems of municipalities. You've wanted to, but you've never tried to; you've always taken the sociological arguments and I just don't believe those sociological arguments stand up against the financial bind that cities are in. If they can't get the money, they certainly are not going to be able to provide housing or the servicing for housing which is required to get on with the job.

[11:00]

When I say this, I'd like to point out one thing to you, because when I spoke on your bill you had a very puzzled look in your face as I referred to those areas where rents have increased in land which doesn't pay full

municipal taxes. I happen to have some of this in my riding.

Interjection.

**Mrs. M. Campbell:** Yes, but when you get a place like the Colonnade—and maybe nobody's heart is going to bleed too much for people who live in the Colonnade—when you see two-bedroom apartment rents there going from \$295 a month to \$425, and they don't pay full municipal taxes, there is something wrong with the philosophy of the government of this province. This, again, is where you face dichotomies between the province and the municipal government in trying to get the money to provide the services that are demanded by people and, at the same time, have a government which exempts, or has exempted in the past, these properties from taxation. Just because a property sits on land which belongs to Victoria College should not make it exempt from taxation, particularly when people are trying to raise their rents to that extent.

**Hon. Mr. Rhodes:** But when you talk about a particular building like the Colonnade which is a result of that property being owned by the university—

**Mrs. M. Campbell:** No, excuse me, by Victoria College; it's not the same.

**Hon. Mr. Rhodes:** Well Victoria College, I'm sorry, if you get down to semantics—

**Mrs. M. Campbell:** The charter isn't the same.

**Mr. Cassidy:** Are you the president of Victoria College?

**Mrs. M. Campbell:** No, University College. I have nothing against Victoria College.

**Mr. Cassidy:** A sort of collegial chauvinism, I gather.

**Hon. Mr. Rhodes:** You refer to a specific rent going from one price to another price. I can't comment on that, other than to say I wonder what comparable accommodation would command in rent, let's say in the ManuLife building which isn't that far away. If you take the same accommodation in the ManuLife building, what are rents there, when the ManuLife building pays full municipal taxes? I'm just wondering what comparable rents would be. I don't know, I have no idea.

**Mrs. M. Campbell:** About the same for this type of accommodation.

**Hon. Mr. Rhodes:** About the same, \$400 and something a month?

**Mrs. M. Campbell:** For a small two-bedroom, yes. Some of them in ManuLife are \$600; I'm aware of that.

**Hon. Mr. Rhodes:** In part of your comment this morning, and again just a few moments ago, you mentioned the availability of 10,000 units. I know you're referring to the land along what was affectionately known as Metro Centre.

**Mrs. M. Campbell:** Not so affectionately from some sources, I understand.

**Hon. Mr. Rhodes:** Well that's true. The Metro thing, as you know, has gone out the window. There was a four-level meeting that discussed the possibility of the transportation facilities that were there. The concern was expressed by all levels that attended that meeting. I might add, about the need for a transportation centre in the area.

I think the grandiose schemes that were originally looked at as to how they could be developed have been modified considerably after discussion. Whatever would be developed there would not be as large as transportation complex as was considered. You're suggesting 10,000 units could be available in that 178 acres? That works out roughly to 52 units per acre and roughly 208 persons per acre. I don't know whether that's the sort of density the city of Toronto would allow.

**Mrs. M. Campbell:** Overall, 20,000 persons could be provided for in that area. Let's not quibble about those amounts. Let's face the fact that you can provide almost instant housing if you don't let transportation have priority.

**Hon. Mr. Rhodes:** In this ministry we are not going to quarrel with the provision of extra housing.

**Mrs. M. Campbell:** Good.

**Hon. Mr. Rhodes:** Whatever input we can have into it we certainly will. On the question of the existing GO services out of that particular centre some of the figures I have looked at—and I am like everyone else because the figures are provided by people who are supposedly knowledgeable in this area—would show there is a need to increase the capacity of the GO system to handle the present volumes now wanting to travel.

**Mrs. M. Campbell:** All right, yes.

**Hon. Mr. Rhodes:** I'm getting into transportation, but when you look at the volumes of traffic using the QE every day, for example



—I see Doug Kennedy sitting at the back—and what happened when we tried to put in surveillance type of equipment at Highway 10 to control the traffic, all hell broke loose.

**Mrs. M. Campbell:** I saw that.

**Hon. Mr. Rhodes:** Nobody wants to be delayed and so you've got these great jams taking place. People are saying if we extend the GO service, we won't need to enlarge the QE any more, which has been in the process of being enlarged since it was opened by the Queen in 1939; hopefully it has ended now. The development of that GO service is just to handle the existing demand. There are new services being looked at—certainly almost being demanded—to the Streetsville area, to Richmond Hill, these areas which are looking for a method of commuting to Toronto. They are commuting now and they are simply saying, "Make it easier for me."

I don't know, Mrs. Campbell, whether we are prepared to say to these people, "No, you will have to continue to use less than the service you may want." If we improve that service obviously the existing facilities at Union Station are not going to be able to handle the volumes adequately. With the thousands of people who will come pouring out of there in the morning, I doubt very much whether it would be able to handle them all.

Some sort of transportation centre has to be there, I think you would agree with that. There is the huge railway relocation project which would have to take place at tremendous costs; there are tremendous costs involved in relocating those tracks. How we are going to share those costs was one of the things we talked about at that four-level meeting—what costs would the railway absorb; what would the federal government absorb; what would the province absorb; and what would fall to Metro and, eventually, the city of Toronto.

I am hopeful this particular group will get together again. The mayor of Toronto has written outlining some of his thoughts on that area. It was sent to the Premier (Mr. Davis); we have a copy in our ministry. We are looking at that and hopefully we can have a meaningful discussion at all four levels as to what we can do. This ministry is pro-housing; a year ago it might have been the other way around, but I am pro-housing.

**Mrs. M. Campbell:** If you look later at what I have said I hope it comes through. I did not question the need for improved facilities for present traffic. I was just suggesting that in your research you might look

at the effect of enlarging the capacity beyond what is currently needed insofar as centralization in the Metro core is concerned. That's all I think I said.

**Hon. Mr. Rhodes:** But there are X thousands of people now, as you know—

**Mrs. M. Campbell:** I am aware of that.

**Hon. Mr. Rhodes:** —who are commuting on that every day. With the growth of housing, hopefully; with what is really taking place in Mississauga and Peel regions; the growth taking place to the east as well or which, hopefully will take place in the Durham region; many of the people who are going out there to buy homes and to live are people who work here in the Metro area. They are going to want to commute and they are going to commute one of two ways. They are either going to commute on a public transportation system or in their own cars. I don't think you are saying this, in fact I know you are not, that we are going to have to shut off the capacity. I don't think we can do that.

**Mrs. M. Campbell:** I haven't said that. Would you look at the comparable costs of relocating the railroad and the other costs inherent in the work at Bathurst and Union Station, and in the whole area? My information—and it comes from a source which, I suppose, I could say would be biased—is that the comparable costs are not that much different.

**Hon. Mr. Rhodes:** Unfortunately, those people have a tendency—and I don't know who you're referring to—but these sources often have a tendency to visit you, Mrs. Campbell, with a set of figures, and perhaps visit Mike with another set and visit us with another set; because they get great joy, I think, out of seeing us whang each other around this room with three different sets of figures. I wouldn't trust any of them.

**Mrs. M. Campbell:** But you have the research capacity, which I don't think either of us has in the opposition. I'm only asking you to look at it.

**Hon. Mr. Rhodes:** The Bathurst situation—this is like T and C now, I've been into three of the various ministries here—the Bathurst situation—

**Mrs. M. Campbell:** Yes, it's frenetic.

**Hon. Mr. Rhodes:** —was as a result of the regular trains that the CPR and the CNR are running, and in particular the CN. They have said to us quite openly, "If you want to do anything here you're going to have



tremendous tie-ups of traffic;" because they are going to run their regular train service. As you know, the GO systems fit in where they can.

If we had exclusive right of way or that sort of thing maybe we could operate a little more efficiently. But we have to tie in with the CN's operation and the traffic tie-up that would be created in the Bathurst area would be just—there has to be a grade separation, there just has to be.

Mrs. M. Campbell: I won't labour the point other than to say that I think the tragedy has been that there's been no catalytic agent involved in the four levels of government to try and really look at the total picture. I would hope that if the meeting reconvened we will find a catalyst. I suppose that's all I can say.

The other thing is that I would like to point out—and I shall hope to be here when we do the OHC vote—I would like to point out that the minister has referred to OHC figures in Whitby. They are not the figures I have and I would love to see the minutes from Ontario Housing at which this matter was discussed.

Hon. Mr. Rhodes: I'm sorry, which figures?

Mrs. M. Campbell: The figures of the land costs in Whitby; they are not the figures I have and I'm not prepared to dispute them at the present time.

Hon. Mr. Rhodes: I have a copy of the agreement right here.

Mrs. M. Campbell: The agreement.

Hon. Mr. Rhodes: The agreement that was proposed; it tells the prices of the lots. "The purchase price of each of the above-mentioned lots is as follows:" And each lot is \$18,250.

Mrs. M. Campbell: And do we know what they eventually went for on the open market?

Hon. Mr. Rhodes: Oh, I can't tell you that.

Mrs. M. Campbell: No. Perhaps you might investigate that.

Hon. Mr. Rhodes: Mr. Rose, I understand this was the price that was below the market value at that time?

Mrs. M. Campbell: That's right.

Mr. Rose: I believe, Mr. Minister, the market value was in the range of \$23,000.

Mrs. M. Campbell: And eventually, I am informed, \$35,000. Do we know that for sure?

Hon. Mr. Rhodes: I don't know about that, but I do know those are the figures that the land was offered to OHC for, and that was in the agreement.

Mrs. M. Campbell: Below market?

Hon. Mr. Rhodes: Yes.

Mrs. M. Campbell: Thank you.

Mr. Hall: I'd like to go back to something the minister commented on in Mr. Cassidy's remarks and I think possibly in some of my remarks before the weekend. He said, in effect, that he as a minister did not want to use any big stick to force housing on municipalities against their wishes and their wishes had to be respected.

Certainly, I have no suggestion for one minute that this policy would ever be effective and it would be against any number of ethical values, so far as I'm concerned at any rate. I don't think there's any point in lamenting the fact that there is municipal resistance because I think it should be accepted as a fact and that we should go on from there. I really feel the Housing ministry and the government is in the best circumstance finally to face this problem and address their thinking to the problem of the municipal property tax.

You mentioned an example this morning from a delegation you saw—a standard of 125 ft frontage and a minimum size of 1,200 sq ft from this small community that was talking to you. It's very typical of the circumstance that is going on everywhere. I suggest to you that unless solutions are found to get the burden of property tax off the municipalities, the present priorities and any hope of creating housing at reasonable cost are absolutely doomed.

[11:15]

I would think that a good part of your research or philosophical thinking—whatever it is that you do—should be now and finally an attempt to evaluate possible ways of removing this property tax burden. It sounds like it is going to cost money; however, I really have to ask whether your brains trust actually has the facts.

Is it not possible that the overall long-term cost would be lower if property tax in some manner or other was taken off the shoulders of the municipalities, because they would stop this assessment zoning approach, this

barrier they put up which they have to put up right now. While this is going on, the artificial increase in the value of housing is certainly having a detrimental effect on our whole cost structure and our whole philosophy in the country; it is certainly having a bad effect on inflation.

There is room to manoeuvre on property tax. For example, if a house were to cost \$15,000 less at a given investment figure of 10 per cent, this would provide something in the order of \$1,500 a year without changing a person's circumstances, which money could go to pay higher property taxes. Okay, how does that relate to the government's role? Well, I think the property tax credit is a valuable thing which could be expanded. If the property tax credit is applied more to those income levels that need it, obviously the higher-income levels won't get the benefit of it.

**Hon. Mr. Rhodes:** Excuse me just a moment. What would be the alternative? I may have missed the point that you have made. What would be the alternative to these revenues?

**Mr. Hall:** The alternative to municipal revenues?

**Hon. Mr. Rhodes:** Yes, the alternative to the municipality for revenues; I am assuming it would be a flowback of money from the province.

**Mr. Hall:** It would be a flowback of money to the individual by means of a larger property tax credit from the province.

**Hon. Mr. Rhodes:** So what you're saying is that to offset the municipal tax level, a greater flowback of money would go back to the individual from the provincial treasury.

**Mr. Hall:** I'm saying that this is one potential way of expanding relief to the municipality and from the municipality to the individual.

**Hon. Mr. Rhodes:** Then, could I ask again: Assuming that was to be followed, what revenues will be available to the province to offset those increased costs that they will have?

**Mr. Hall:** Well, this is the point I am trying to make, and it becomes a study of economics at a higher level and finance. I'm saying the detrimental circumstances that we're facing now, of soaring housing costs, is hurting—hurting housing, hurting the province, hurting everybody in their pocketbooks at one

stage or another. It's not directly in the field of housing but it's in the field of economic thinking, it seems to me. Is that hurt worse than a greater expenditure of money flowing through to the municipalities would be? I have to wonder, do you know or have you thought through the potential of actually giving them more money with the total result of ending up by saving them money?

I would like to go on. I say that the present course seems to me to be doomed. Maybe I have an oversimplified picture, but the thinking behind it does seem to me to be basic. That is, the course we are on is doomed to failure as municipalities continue to do everything they can to protect assessment. They are obviously working against housing.

For a moment let's paint a picture: If there were no property tax, municipalities would not be doing everything they can to make housing more expensive in their municipalities. Looking down the road a few years, the factor of the costs of lighting and heating a home are certainly going to be adverse to larger size housing. The direction, obviously, would be toward smaller sized housing and yet there are no real steps, no inducements, being offered to the municipality to have smaller housing units. As I said earlier, housing units were small 20 years ago. The standards weren't high and these standards have been raised artificially for assessment protection by the municipality.

If the property tax credit becomes a sizable thing, you start to get some market forces working, it seems to me, on those people who do not, because of higher income, benefit from substantial property tax credits. The taxes on bigger houses would go up naturally and what they could obtain in the marketplace for those bigger homes would tend to go down because of the added carrying costs. The costs would be laid on the shoulders of those who can best afford to pay, which is what it's all about as far as I am concerned. It is quite fair that it should be that way. Those who need it most get the biggest credit. It is quite acceptable so far as I am concerned.

**Hon. Mr. Rhodes:** That's the way it is now.

**Mr. Hall:** Not to a sufficient extent, though, because they cannot increase the standards high enough so that they are breaking even on their property tax credit for residential use with children and the hard and soft services which are a result of increased population.

I say there is a big area for increasing the property tax credit a great deal, whether or not you can effect a saving to the municipality, which will finally stop this over-specification they are doing. Do you follow what my point is?

I also suggest to you that for other reasons, this increasing standards on the size of a house is going to be pretty tough to handle as we now get into an age where energy costs and heating costs in this climate are a severe factor. There is only so much insulation you can put into a house, as you know, unless you change the whole construction features of the house.

Better province-wide assessment sharing would overcome the attraction—you cannot overcome the natural geographically created discrepancies in our province. Industry does go to certain places because there are natural harbours and natural land conditions and railways and power facilities—

**Hon. Mr. Rhodes.** Climate.

**Mr. Hall:** —and shipment points and climate. There really hasn't been, in my mind, a sufficient sharing of the natural advantages which accrue to certain areas with those other areas which don't have those natural advantages. Hamilton, I guess, might be a case in point. It has a lot of benefits which were created by nature and so a lot of bedroom communities fan out around Hamilton but they don't get the tax equalization in anywhere near the measure that the cities which have the industry get.

**Hon. Mr. Rhodes:** Then you certainly favour regional government?

**Mr. Hall:** No, this has not got anything to do with regional government at all. This could be done without regional government.

**Hon. Mr. Rhodes:** I don't know how you are going to equalize the assessment for people who don't have it within the municipalities unless you bring them all under one municipal—

**Mr. Hall:** I think the province can have a role in doing this without necessarily having regional government.

**Hon. Mr. Rhodes:** There may be a method but it seems to me a very easy way is to bring all these people in so they will share in that tax base.

**Mr. Hall:** The taxes aren't shared even within regional government now. It doesn't work that way. So far it has not been an

effective way of tax sharing. Each municipality even under regional government—including the Niagara region—still wants to get its share of industries. Of course, it wants it to be a certain type of nice, clean industry, with no effluent carried into any sewers which has a high BOD content, or anything like that. It is very hard for them to think in terms of a small, walled city where everything is shared, and I don't think the sharing is taking place.

**Hon. Mr. Rhodes:** The difficulty is we have two tiers; one tier probably would be effective.

**Mr. Hall:** In my opinion, it would be hard to say whether it would yet be effective because of the municipal discrepancies in a large region. But I do say you have to address yourself to getting the property tax burden off the municipalities, even if it involves doing some pretty deep thinking and maybe a different type of thinking than has been proceeded so far.

**Hon. Mr. Rhodes:** When we talk about the municipal tax burden, the province has been criticized for failing to put sufficient moneys into the hands of the municipalities, yet if you go back and look at the grant structure in its totality, the increase in municipal mill rates has averaged about three per cent per year for the last five years. This has been as a result of the increased funding that has been made available from the province; there is substantial funding going into the municipalities.

Assuming you continue on with the present municipal tax structure, one of the problems is that municipal governments, in an effort to show their fiscal responsibility and to enhance their political lives, have seen fit to attempt to hold mill rates down, to establish artificially low mill rates. Surely to goodness, with inflation running in two figures for the last number of years, municipalities have been less than responsible to their own constituents in not allowing some mill rate increase. What you run into is the same thing we face in this Legislature—and the federal boys ran into it—when somebody proposes a catch-up in the way of salaries for MPPs or MPs, the blazing headlines report 33 or 40 per cent increases. They don't stop to figure whether that percentage is spread back over five or six or seven years or not.

It's the same thing when you pick up a newspaper and a municipality is saying they are facing a 15 or 20 per cent increase in mill rates. The truth of the matter is that



if those mill rates had been brought up as they should have been over the past number of years you wouldn't have that big clout to generate dollars.

I think everybody is willing to accept the general increases that have taken place, based on the increases in the services and the cost of those same services, yet that hasn't happened in the municipalities.

My own municipality is a good example. In 1972, they reduced the mill rate by nine mills because there was a change in policy of the amount of grants that would be going to the municipalities. They took all the money that came from the province and applied it back to their municipality without really taking into consideration the fact that down that pipe a piece, there was going to be this catch-up required, that increased grants were not going to happen every year.

Mr. Hall: It is happening in the new year coming up, I guess.

Hon. Mr. Rhodes: I think we're faced with some very substantial mill rate increases around this province. I don't think you can blame that on the lack of the province supplying funding. I don't have the figures here, but I know there was a tremendous increase.  
[11:30]

Mr. Hall: Let me give you an example of a new approach. I just ask that you pause and reflect on it. The case in point is the Election Expenses Act. This was rather a new initiative and, without getting too technical about it, it said, in effect that if a man gave \$100 he'd get a \$75 tax cut. It met with some acceptance in terms of a method for funding the last election. The person who gave more eventually got a lesser credit back. I am really talking about the same approach in the property tax. The province is paying more for that election to be run. If the same yardstick was applied to property tax, the province would be paying more of the property tax. There would be a fairness involved, however, in that the lower elements of income would be paying substantially less property tax than wealthier persons; which is, as I say, acceptable.

I am saying that this sounds like more money that the province has to lay out. But I am also saying has the thinking been done as to whether you are not really saving money in the total by laying out more money if it stops inflation, if it stops municipalities from artificially fighting against housing by all these assessment techniques and if the result is lower-cost housing. The direction

we are heading, I still say, is toward doom unless we find some other answer.

However, I have thrown that point out and I think you understand what I am talking about. I would ask at some time you consider whether there is merit in this, in the measurement of one cost as against another cost. What benefits there would be in spending more money may be hard to develop, but I think it is worth asking ourselves just where we are headed and whether or not a change would help the situation.

I have a couple of other points. I don't know if this is common knowledge; it is over our way. In the Hamilton Spectator, in an issue in August, there was a two-part article by the real estate feature editor. He found that housing in the Buffalo area costs almost half what it costs in the Hamilton area. I don't know what their standards are, but I would have to suggest to you that it might be worth taking a look to find out why this is going on. It cannot be all just land costs. No matter what you pay for an acre, the land cost wouldn't change that much.

In some of the examples he cited—and I think I am correct in this—a house in Hamilton costing \$84,000, according to him, could be purchased in the Buffalo area for \$42,000. I don't know the answers. I just want to pass it on and hope there may be something we can all learn from this.

Mr. Wronski mentioned that there was an ongoing study of the servicing standards required and he talked about some of the high standards that exist now, such as preparation against storms based on 50 years of experience. I have to hope that study will look at the ditching and ponding effect you get as a result of very heavy storms, because the problem of a storm sewer, as you know better than I do I suspect, is that the cost is fantastic. In a short distance you can get up to nine-foot diameter storm sewers which actually have to go down very deep and need a lot of bedding and a lot of easement right to put in place. The granular backfill and what-have-you are a fantastic cost.

The subdivider is in a position almost of being accused of having manufactured all the water, and of course he doesn't. He inherits the water from higher ground. Nevertheless, if he is to use his land, he has to pay the shot for this fantastic storm sewer cost. In your studies, Mr. Wronski, I really do think you should go back and take a look at requirements in the mid-1960s indicating no road subsidies unless there was full storm sewerage, because it's not only the storm it's the curb; and then when you have a curb,

well we may as well have a sidewalk, and away you go.

The old highway standard I think came from the fact of building the road higher to make it more passable in wet weather than the surrounding land. This policy tends to continue where MTC roads are always just a little bit higher than anybody else's and everybody else has to take up the problems. And you know who takes up the problems; the developer takes up the problems because the municipality can't afford to. The municipality can't afford to avoid having the storm water requirements because otherwise they won't get any road subsidies from you.

I do think that municipalities—and there are many, just to go back to the one you mentioned this morning, Mr. Minister, about 125 ft frontage—I think they are kidding themselves and they are kidding all of us to think that this is a long-term solution to their problems. Even if the subdivider pays the full shot for all these gold-plated services the first time around, those roads are going to be there for 100 years, 200 years, 300 years and the pipes are going to wear out; the road obviously is going to have to be cleaned, the snow removed, and resurfaced for a long time to come. Even if they got it free, this first or construction cost is not necessarily the final cost to the municipality, aside from the fact of the waste of land as well.

**Hon. Mr. Rhodes:** It is not free anyway. The cost of that would be applied back to the land when it is sold to the purchaser anyway.

**Mr. Hall:** Oh yes, but this is a purchaser who hasn't yet arrived in Sault Ste. Marie, or in any community. The only person the purchaser could speak to would be a developer, who is suspect, of course, even if he spoke with the straightest of convictions. The municipality will say, "You just want to have that lower price, so it is going to be in your pocket." This is never the case; the developer obviously passes the cost on.

Until such time as we somehow get these municipalities away from this type of thinking I think housing is never going to be acceptable. You are going to still face the existing social arguments and the environmental arguments and so forth, but in property funding in my mind one of the biggest things we have to get around is this municipal taxation structure.

Passing on to the next item, I think under this section we can comment on the workings of the Niagara Escarpment Commission

and the responsibility you have for administering development control, is this correct?

As I recall, the Niagara Escarpment Commission was finally formed in June, 1974 and, in a general way, I understand the goal was that it was going to be a three-year programme; first of all, to set up an area of specific development controls, to get them in place. By terms of the original reference then, in three years the Niagara Escarpment Commission would have successfully phased itself out of a job.

I would like to ask whether these goals are still valid, whether three years looks like the period of time and whether this will be completed by June, 1977, or whether this programme is going to be severely behind its target date.

It was also mentioned, I believe, in the general context of the Niagara Escarpment Commission's guidelines that as regional municipalities and other governments got their own zoning into place responsibility would be essentially turned over to them. I see no sign of this being turned over to municipalities too much so far and I wonder if this is still part of the ongoing thinking. As I understand development, particularly in our area right now, applications are eight to 10 weeks in the processing stream. I have to wonder whether this could be improved. It seems to me to be a long time to wait before answers are given on an application.

The comments that were made by the committee headed by Maxwell Henderson in part relate to the Niagara Escarpment Commission thinking. One item on page 267 of the review report said:

For major existing plans (including those for the parkway belt and the Niagara Escarpment) and future plans involving significant land purchases, the acreages to be acquired [to] be determined by realistic criteria related to specific identified needs.

I suggest that this would have been a far more satisfactory approach right from the outset than what was done, which set up freeze-type zoning on masses of land all over the province without real selectivity as to what areas were desirable for the public good.

Naturally, we feel as a party, and I feel individually, that the selection of those areas that are deemed to be for the public good—and obviously there are certain sites—obviously should be paid out of the public purse. They should not be subsidized by an individual property owner, with restrictions



put on him so that he cannot move in any direction. This has concerned us over our way quite a bit.

It happens in the town of Grimsby that there is a lake plain that is probably a mile wide, with the lake frontage taken up with sewage treatment, water treatment and recreation. There is the Queen Elizabeth Way, which is very wide; there is the CNR; there is Highway 8; and then you are at the base of the Escarpment. We have argued locally that this is really an urban area as it affects the town of Grimsby, and yet we are faced with these controls in this urban area. The same Escarpment runs through the city of Hamilton, which is developed above and below now; it has services that have been in place for many years, with many roads going up the mountain as well. In the city of Hamilton, do they have to go through the same routine that they have in these lesser areas, or are development controls not applied there?

Another thing that concerns me about the Escarpment Commission is the fact that a municipal zoning bylaw may have been put in place but, under your controls, you say all municipal zoning bylaws now are out the window. I don't know what the proper words are, but that's the effect of them; they are just put completely aside.

The zoning bylaw has to do with new applications as to how land could be used, and I can understand the development controls; whether or not I agree with them, I can understand them wanting to naturally have the say on new applications. But I suggest to you that zoning controls also have a function where property has been used for a long time in the past, because your development control area is pretty broad and it covers a lot of existing properties.

[11:45]

You have taken away from the municipality that aspect of zoning development which permits them to monitor the ongoing use of other existing properties there because there are, as I understand it, no zoning bylaws in effect. This is to say that there might be adverse effects from people parking trucks in the driveway of a residential zone. The only yardstick would be the development control regulations. I ask will the time come when you'll be putting back the municipal zones that have been thought of in the past. There is no indication of it at the present time.

I also have to ask you another question. I understand development permits are not

transferable. This seems rather strange to me in that building permits are transferable. The development control has to do with how the land is going to be used. It should not have to do with who the guy is who is going to do whatever it is that's required to the land; yet you don't make this transferable and you have to start all over again. That might be a condition of sale.

In any real estate transaction, first of all, he wants to buy the property if he can put the property to a use. In most instances, the interested party in buying is not necessarily going to go to all the trouble of obtaining the development control permit, so the vendor might be obtaining the development control permit. In a few instances this has developed to the point where they've now turned around, found this out and said: "Okay, you've got a permit but you'll have to build it, Charlie, because it's not transferable." I'm just wondering whether or not some modifications could be made in the thinking here because it seems to be another added problem in the application of these development controls. Those are the main points I wanted to raise in this area.

**Hon. Mr. Rhodes:** Mr. Wronski, perhaps you can reply to some of it, and also Mr. Farrow.

**Mr. Wronski:** I'll try, Mr. Chairman. I would like Mr. Hall to help me because there were several questions and I may omit some of them.

First of all, I should perhaps outline basically the structure of the total planning system which is employed in the Niagara Escarpment. The commission has been set up under the Act, which is administered by the Treasurer (Mr. McKeough). The definition of the planning area, as well as the definition of the development control area, was also set up by that ministry. We are coming in, so to say, at the tail end of the development control. The minister is listening to appeals for refusal or approval of a development permit. Under the Act, he has to have a hearing officer hear an appeal and report to him; then he makes a decision whether the development permit should be granted or refused. It's the last instance of an appeal, so to speak.

As far as the objectives of the commission are concerned, which, as I say, are under the control and regulation of the Treasury, these still remain the same as at the onset of the creation of the commission. They are obliged under the legislation to prepare a plan to be approved by the provincial government and, I understand, the date is to be to



the end of 1977. The work is progressing, we understand, although we have no direct input. Again this is done through the regional planning branch of the Ministry of Treasury, Economics and Intergovernmental Affairs.

As far as the delays which result in the processing of development control permits are concerned, here again I cannot be of assistance. All I can draw to Mr. Hall's attention is that development control went into operation with the definition of the development control area and the passing of regulations by the Minister of Housing, which was in June or July, 1975.

To date, around 500 applications have been processed by the commission, out of which about 450 have been approved. There is still, I think, a backlog of about 80 applications which are in process. About 25 of them have been appealed and about 16 hearings have already been heard. We have set up a mechanism of hearings. There is a chief hearing officer appointed by the minister. This is Mr. Jamieson, who was formerly a member of the Ontario Municipal Board. He also has a panel of hearing officers assisting him. Hearings are being held locally for the convenience of those who object or appeal; and then the report is being processed to the minister.

As far as the question of development—

**Mr. Hall:** May I just go back, Mr. Wronski. You are saying that the original time-frame for the work of the Escarpment Commission was three years from June, 1974, and after that period the Escarpment Commission will be ceasing to function?

**Mr. Wronski:** At least the charge to the commission is to prepare a plan. That plan will have to be approved and then taken over by the existing municipalities, who will have to adjust their own planning tools—that is, official plans and zoning bylaws—to implement that plan. Now, whether the commission or the province will be in a position to approve that plan at that date, I cannot tell you. But at least the charge to the commission is still the same—to prepare a plan within the specified time period.

The last question you asked, if I remember correctly, was if something can be done regarding the development permit going with the land, rather than the individual application. I can foresee just one problem over there. The whole philosophy of a development permit is a response to an individual application and a decision given on a specific type of development.

I would presume that if title to the land has changed hands, and the new owner wishes to build exactly the same structure with exactly the same conditions as the original development permit permitted, then I don't think there should be any difficulties. However, if there is any change in the structure itself, in its location on the site, then I think there would have to be another investigation.

**Mr. Hall:** Mr. Wronski, I suspect that I could see some of your problems in that you are using a site plan approach, and—

**Mr. Wronski:** That's right; and architectural control as well.

**Mr. Hall:** Yes, which I have to wonder about. Nevertheless, any zoning bylaw sets parameters as to what can be done, and it doesn't have to be that specific. Could you not set parameters with your permits, rather than be quite so specific in their requirements? It would seem to me that so long as the parameters were met, that you wouldn't be facing any dissatisfaction with what was done with the property.

**Mr. Wronski:** Yes, I think we could do that. Of course, it would depend on the sensitivity of the area. It might be something in really the most strategic ecological location. For instance, removing the surface soil, removing the trees, blocking a stream—all these problems would have to be taken into consideration. But you are quite right. We are now investigating all the regulations and the way the commission is acting upon them, with an idea of maybe recommending to the ministry to change the regulations so that parameters could be set in less sensitive areas.

**Mr. Hall:** I suggest to you, Mr. Wronski, that if you don't get away from the present approach to a certain extent, then in June of 1977, or whenever your set of specifications and guidelines are turned over to the municipalities, I suspect that municipalities are going to take your thinking as being wise government thinking and apply this specific approach to every house built in their municipality. I see the danger that with so much specification by government as to what might be done, what you consider as acceptable under the Escarpment Commission may very well spread right down the line and across the province on every building that is put up. As a housing ministry, I don't think you want to see this.

**Mr. Wronski:** No; we certainly don't want to see that, because we just couldn't simply administer it.

**Mr. Hall:** Nor will you ever be able to police it. This whole concept of zoning where it's only on the basis of complaint—

**Mr. Wronski:** Right.

**Mr. Hall:** —and you do not have, nor ever will have, enough zoning officers to go around and check. As a result, you are getting an informant-type attitude in our province. This disturbs me very much, because the complaint is acted upon only when there is some guy who doesn't like some other guy, or something like that. It's completely different to the whole administration of law of the province in any other way. A policeman is charged primarily with the responsibility of blowing the whistle on somebody, but in this other situation you're asking for controls by individuals phoning up about their neighbour or some guy they don't like or something like that. I can see your problem, but I don't like the look down the road unless something's changed.

**Mr. Wronski:** All I can answer to this, Mr. Hall, is that the whole procedure of development control is obviously a temporary one. We're looking at it all the time. It has only been in operation about four months and we hope that eventually we will have regard for the normal type of municipal zoning bylaw and official planning process as soon as the plan is developed.

**Hon. Mr. Rhodes:** Really you have the same thing now in many municipalities. I'm not suggesting it's the right approach, but in many municipalities in 1969 when the directive came out to them to get their official plans and zoning bylaws put together, official plans were turned out pretty rapidly. The easy method was to take those areas of the municipality where there was some concern or differences of opinion and slap on such things as holding zones and planned development zones.

Now we have the situation where, a person who may own a piece of property and wishes to develop it comes to the planning board and must get a rezoning from the planned development, despite what the official plan might say. They come to get a rezoning and to get the planned development lifted off of it. We get into these specific site plan things, as you referred to earlier.

**Mr. Hall:** Oh yes, you get into the specifics to a certain extent, but I'm saying that your development control site plan is on for an individual house, for example. As long as his house is within the side yards, the setback and the rear yard, as long as it is a certain size and as long as there's adequate drainage, the municipality does not and cannot tell him what colour he can put on that house yet, but you are in the area of development control.

**Hon. Mr. Rhodes:** You are in some municipalities under planned development as well.

**Mr. Hall:** It's to my sorrow and it's working against your ultimate goals, if you do this, I tell you, because we need less of this, not more of it, in my opinion.

**Hon. Mr. Rhodes:** Okay, but municipalities do have that authority under the Planning Act now.

**Mr. Hall:** And some of them use it to make certain that the house has got stone or brick on it instead of wood, so that they can get more assessment, which goes right back to where I'm starting it on—the whole problem which has not been addressed yet, in my opinion.

**Hon. Mr. Rhodes:** That's right. You are right on.

**Mr. Chairman:** It is now 12 o'clock. I believe the committee decided to sit from 10 to 12 today and then immediately following the question period until 6 o'clock. I'd just like to inform the committee of the list of speakers and the order in which they asked to speak: Johnson, Makarchuk, Angus, Cassidy and McEwen. Those are the ones I have on the list, so that you'll be aware.

**Mr. Cassidy:** Before you adjourn, Mr. Chairman, I understand also that people had come to a consensus that we should also meet at 10 o'clock on Thursday in addition to our afternoon and evening sittings on Thursday. Is that correct?

**Mr. Chairman:** There has been no agreement. It was suggested the other day that we could sit this morning and then today decide what the committee wanted to do on Thursday.

**Mr. Hall:** I'd have to check my schedules.

**Mr. Cassidy:** I will not be able to be here on Thursday evening but will simply pass any notes that I have about topics to be raised near the end of the estimates to another spokesman for my party.

**Mr. Hall:** I have to say that I won't be here Thursday evening, but I don't think we're going to the same places. I can't be here.

**Mr. Cassidy:** All I'm saying is we are still on the first vote and it would seem to make sense to try to get the maximum amount of time in, in view of the time we've lost over the first couple of days.

**Mr. Chairman:** If it's all right, I would like to suggest to the committee that I did have it on my notes to discuss this when we come back after the question period. I'd like you as a committee to make a decision at that time.

**Mr. Williams:** It was my understanding that we were meeting Thursday morning at 10, but I must have misunderstood what was discussed on Friday. I thought we were meeting right through Thursday to get this resolved.

**Mr. Chairman:** That wasn't decided on Friday. It was left over.

**Mr. Williams:** It was just Thursday afternoon and evening, was it?

**Mr. Chairman:** That was the last discussion. I think we could check Hansard and probably find that we said we should make the decision today.

The committee recessed at 12 noon.



CONTENTS

---

	Monday, November 24, 1975
Ministry administration programme, continued .....	S-541
Recess .....	S-559

SPEAKERS IN THIS ISSUE

---

- Campbell, M. (St. George L)
  - Cassidy, M. (Ottawa Centre NDP)
  - Hall, R. (Lincoln L)
  - Rhodes, Hon. J. R. Housing (Sault Ste. Marie PC)
  - Williams, J. (Oriole PC)
- Ministry officials taking part**
- Rose, J. B. S., General Manager, Ontario Housing Corp.
  - Wronski, W., Assistant Deputy Minister, Community Planning









# Legislature of Ontario Debates

**SUPPLY COMMITTEE**

**ESTIMATES, MINISTRY OF HOUSING**

OFFICIAL REPORT — DAILY EDITION

First Session of the Thirtieth Legislature

**Monday, November 24, 1975**

**Afternoon Session**

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975

## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MGS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.

## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

---

MONDAY, NOVEMBER 24, 1975

The committee resumed at 3:09 p.m.

#### ESTIMATES, MINISTRY OF HOUSING (continued)

**Mr. Chairman:** I will call the committee to order. There are a couple of things I would like to discuss with the committee.

First of all, the sitting times for Thursday: I thought it might be helpful to the committee to know that in a regular four-day sitting of this committee we would sit for 16 hours. As it turns out now, by not sitting Thursday morning, when we reach 10:30 Thursday night this committee will have had 15 hours. So it is an hour less than the regular four days of sittings. I believe this morning you wanted to continue the discussion for a few moments to decide on the sitting for next Thursday.

**Mr. Cassidy:** I make it about 13 hours that we will have sat, Mr. Chairman, if we don't sit on Thursday morning.

**Mr. Chairman:** Well, two-and-a-half hours last Thursday, two on Friday, five today and five-and-a-half on Thursday; that is 15 hours.

**Mr. Cassidy:** I just didn't quite count the half-hours listed there.

**Mr. Chairman:** I counted the time we had, not the time that we began.

I leave it up to the committee. We have to decide whether you want to sit morning, afternoon and evening on Thursday, or just afternoon and evening.

**Mr. Cassidy:** Well, I would move, Mr. Chairman, that we do sit on Thursday morning, and I think Mr. Williams seems to be in agreement as well.

**Mr. Chairman:** That would be from 10 to 12?

**Mr. Cassidy:** Yes.

**Mr. Chairman:** Well, we have a motion. Any discussion?

**Mr. B. Newman:** Mr. Chairman, if you want to propose lengthening the time you have no alternative but to sit Thursday morning.

**Mr. Chairman:** All right, I will place the motion.

**Mr. Kennedy:** Mr. Chairman, is this necessary to wind up within the time frame that we have?

**Mr. Chairman:** Yes, Thursday is the last day this committee has to sit.

**Mr. Kennedy:** So we have to sit morning, afternoon and evening, is that right?

**Mr. Chairman:** Well, that's up to the committee.

**Mr. Kennedy:** A day's a day.

**Mr. Chairman:** A day's a day, it doesn't matter how many hours.

Any further discussion? I have had a motion from Mr. Cassidy that we sit from 10 to 12 Thursday morning, and of course Thursday afternoon and evening.

Motion agreed to.

**Mr. Chairman:** That means we will sit Thursday morning at 10 o'clock.

**Hon. Mr. Rhodes:** Why do you get an extra hour?

**Mr. Chairman:** Why do we get an extra hour? Is that a question?

**Hon. Mr. Rhodes:** Well, if we are going to hold right down to this commitment, we might as well settle it that we only sit one hour on Thursday morning, shall we?

**Mr. Chairman:** When we talk hours I guess we talk of the time for estimates in the House. Here we are talking days.

**Hon. Mr. Rhodes:** No quarrel, no quarrel.

**Mr. Chairman:** I have to have a decision from the committee on the Workmen's Compensation session of Dec. 3. This would be a suggestion—would the hours 10 to 12; 2 to 5:30; 7:30 to 10 be satisfactory?



**Mr. B. Newman:** Why are you starting at 7:30 rather than 8?

**Mr. Chairman:** Well it was just a suggestion given to me, and I am putting it out to the committee.

**Mr. B. Newman:** It doesn't matter.

**Mr. Cassidy:** Mr. Chairman, I probably won't be present myself for that particular session, but other members of my caucus are going to fill in. Given the desire of many members of the committee to have longer than one day, one might try to squeeze in another half hour or an hour in the morning, perhaps, by starting at 9 or 9:30.

**Mr. Chairman:** Well there's a suggestion. It is really up to the committee. You have one day to discuss the Workmen's Compensation Board, and to make the best of it—

**Mr. Kennedy:** What are we talking about; the hours?

**Mr. Chairman:** We are talking about the hours of that day.  
[3:15]

**Mr. Makarchuk:** Mr. Chairman, I would move that we sit from 9:30 to 12; 2 to 5:30; 7:30 till 10:30.

**Mr. Chairman:** From 7:30 to 10:30?

**Mr. Makarchuk:** Right, on Dec. 3.

**Mr. Kennedy:** Are we allowed to move an amendment? I suggest 10:00 to 12:00; 2:00 to 5:30; and 8:00 to 10:30—the regular session.

**Mr. Chairman:** Okay, I have had the motion and an amendment. Any further discussions?

**Mr. Makarchuk:** I'll second that.

**Mr. Chairman:** Would you be agreeable to that?

**Mr. Makarchuk:** Yes, I would be agreeable to that, sir.

**Mr. Chairman:** So would you withdraw your motion?

**Mr. Makarchuk:** I would withdraw my motion and make that a motion.

**Mr. Cassidy:** It's still a honeymoon, Mr. Chairman.

**Mr. Chairman:** Okay; so the committee is agreeable to Mr. Kennedy's motion. Fine, thank you very much.

I would also like to have on record the fact that the minister has tabled the reconciliation statement which was requested by members of this committee on Thursday. There are copies here for members of the committee.

I believe the next speaker on vote 801 is Mr. Johnson.

On vote 801:

**Mr. Johnson:** Thank you, Mr. Chairman, and Mr. Minister.

I would like to comment on some remarks made by Mr. Cassidy last week regarding the diversification of population and housing. He was of the opinion that some of the municipalities would accept housing if necessary. It was even mentioned that housing could be imposed on the municipalities by the ministry. As a former mayor, I'm certain that most municipalities would be very reluctant to accept any enforcement. In the last election an issue we fought regarding regional government was that we wanted to leave the municipalities with as much autonomy as they could possess.

I do feel one way we could have housing and more people living in the smaller municipalities would be to encourage industry to locate in these areas. It would be much easier if we were to entice industry to locate in smaller communities; the municipalities then would be quite interested in providing housing for these workers.

The minister used the words, "that's where the action is," in referring to why people want to settle in Toronto. Possibly this is so, but I have a feeling they come to Toronto because they can't find employment elsewhere. If they could find employment in the smaller communities that is where they would stay, and indeed possibly even move. The quality of life there is much superior to that of city living. Mr. Chairman will concur with that I'm sure.

If we could provide employment in the smaller municipalities it would help solve the problem of overcrowding in the cities and we would be able to provide housing at a much lower cost. You can still buy serviced lots in the northern part of my riding at \$6,000, \$7,000 or \$8,000. This is substantially lower than anywhere near Metro Toronto, and the cost of living is also much lower.

I would encourage the Ministries of Housing and Industry and Tourism to work together on this problem to see if there isn't some way to work out a solution. While it doesn't seem right to tell an industry it should

locate in a certain area, there should be some incentive to encourage industries to do so.

Another point I would like to mention is that I concur fully with your statement, Mr. Minister, regarding the senior citizens' housing units.

In a lot of the mid-western Ontario regions we have a heavy, a very high, percentage of senior citizens. If we can have a major thrust in the development of senior citizens' apartment units this will not only provide facilities for these people that are needed, but it would also open up a lot of new homes and take some of the pressure off building new homes.

Most of the municipalities in mid-western Ontario, and I would assume most of Ontario, would accept senior citizens' apartment units. They are quite attractive; they serve a purpose that is very desperately needed; and the cost to the municipality isn't all that great. I feel this is one way of creating extra homes without going to the incentive of providing public housing.

I take exception to the remark Mrs. Campbell made in criticism of the province regarding the grants. I have served as mayor of my municipality for some years, have sat on council, and I think in the last three to four years the grant structure has been very favourable toward the municipalities. If it has done anything in the way of detriment to the municipality it is as you have suggested, that we've kept our tax rate too low. We should possibly have raised it, and then we wouldn't feel the crunch today; but it did allow the municipalities to keep their taxes at a continually low level for the last three years.

One criticism I do have is in the matter of severance. It seems awfully hard to get severances of any description through in a reasonable period of time. I certainly hope we could speed up this one area. I have one other comment to make in closing and that is in regard to the cost of housing. I have had requests by a manufacturer of plastic pipe, and his concern is that hundreds of municipalities have saved millions of dollars by resorting to PVC water mains. He questioned why Ontario Housing Corp. doesn't use plastic piping in their townhouses and high-density housing, and he states that for years vinyl sewer pipes have been CSA certified to standard c182.1. Millions of feet of this type of pipe and its associated fittings are in service in Ontario, but it still cannot be used for installation on private properties which come under the jurisdiction of the Ontario plumbing code. Is there a reason the same type and size of plastic pipe can't be used in place of other materials?

**Hon. Mr. Rhodes:** Perhaps I could let Mr. Rose comment on the last part of the remarks and the question of the piping.

**Mr. Rose:** I think, Mr. Minister, through you, Mr. Chairman, the local municipalities establish the standards and we conform. If PVC is permitted we will use it, but it is up to that local municipality's bylaws with respect to the material.

**Mr. Johnson:** And does this apply for Ontario Housing Corp. as well?

**Mr. Rose:** Yes.

**Hon. Mr. Rhodes:** One of the things we try to do, and I think rightly so, is not to impose lesser standards than what the municipality requires when Ontario Housing is going into a community to build units. They must meet the municipal standards.

**Mr. Johnson:** Have we set the standards too high? That's really the question I am asking. Is plastic pipe not as good as other types of pipe?

**Hon. Mr. Rhodes:** I'd have to pass on making any comment there because I'm not qualified to say whether they are or they aren't. Again, the question of whether the standards are set too high is a subject, probably, for considerable debate over a long period of time. My own personal feeling is there are a number of standards we have set in municipalities that have been set very high, all the way from the Cadillac-type servicing we require for subdivisions, to such things as the type of pipe that's being used. But these have been set, and if we're building houses we must meet the standards set by the municipality.

**Mr. Johnson:** I wonder if a study has been made to compare the qualities of the different types of pipe and if they do come up to a satisfactory standard, could this information be passed on to the municipalities with the suggestion that possibly they should set a little lower limit on what can be used?

**Hon. Mr. Rhodes:** I don't know. I think if that was being done it would probably be done by the Ministry of the Environment. We certainly haven't, to the best of my knowledge, done anything in that area.

I do want to comment on a couple of things you said, Mr. Johnson. You mentioned that the quality of life in the smaller cities is better. I don't think anyone would dispute that. That may be part of the con-



cern that has been raised in the minds of many; and that is that that quality of life is to be maintained.

The person who is living in a community of say, 20,000 people says that's the quality of life he wants to maintain and he doesn't want it to become 30,000. The person in the 30,000 or 40,000 area says he doesn't want it to become 50,000; and so on up the line.

As a result, in order to retain what they feel is their quality of life, they do not want to allow growth to take place. So that in some communities they don't even want a new industry to come in. There are some who've turned it down; many areas don't want any growth at all so they can retain, as you suggest, that quality of life.

As far as incentives are concerned, under the Ontario Development Corp. a few of the areas have been discussed at considerable length over quite a period of time. It is felt development should be allowed to take place, or should be encouraged to take place rather, in northern and eastern Ontario. ODC, under its programmes for eastern and northern Ontario, offers loans up to 90 per cent of the capital required, and at reasonable interest rates, in fact at quite low interest rates. So firms could in fact locate in the north or in eastern Ontario more economically than they can locate, say, here in central Ontario. Loans themselves are not nearly as large, I think they're only 50 per cent, in the central part of Ontario as opposed to the higher allowances for eastern and northern Ontario.

Part of the success that's been enjoyed there has been mostly in the expansion of existing industries, or their location from small facilities into larger, more modern facilities and the acquisition of perhaps more modern equipment. It has reflected itself in a slight increase in the production of these companies and increased their employment. So there has been some progress made, primarily in the north and I think to some extent in the east. Many of the loans have been for tourist-oriented types of operations.

Talk to the companies, and I have had some occasion to discuss it with them and they'll tell you there are two things—in particular in northern Ontario as perhaps opposed to eastern Ontario with which I'm not as familiar—there are two things many of the people who were contemplating locating in those areas will raise as very major concerns. One is the cost of transportation of their goods in and out of the area. The second one is that in many areas—again in

northern Ontario in particular, and I'm thinking of the major centres in particular—there is the high cost of labour as opposed to other areas. The labour market is much more costly to them; at least that's what they will say, and I think perhaps with some validity because the rates being paid in the mining and steel areas and in the lumbering areas on many occasions are higher than the average salaries or wages being paid in central Ontario. They will point to these things and say they would mean extra costs they would be faced with. Maybe there are other incentives that can be used to locate industries in all parts of Ontario around the smaller communities.

On the severance of property being too slow: That has been a perpetual criticism in this ministry, perhaps with some justification, but it's interesting to note on the figures that approximately 30,000 decisions are made annually by the land division committees and committees of adjustment. And 20,000 of these create new lots in the rural area. So there is some production being created by severances. The criticism that it's slow I think is a valid one, and hopefully that can be overcome and speeded up.

[3:30]

**Mr. Chairman:** Does that complete your questions?

**Mr. Johnson:** I have just one other point to make and that is you mentioned the fact that some of the municipalities don't want to grow too large and I think this is possibly so. But we are faced with a declining rural population and we do need additional people to take the place of that rural population. What we are ending up with is a lot of commuters. Most of these people work in the Toronto area and they make use of the highways, which is another problem. They commute to the city which causes further congestion here. In many cases you would think it would be more sensible to have the plant in the vicinity of the workers, rather than to make the workers come to the plant.

**Hon. Mr. Rhodes:** That's a very legitimate concern. The commuting situation is starting to become a problem even outside of the Metro area. Some people want to move farther away from the particular community and commute, for whatever reason. They can get cheaper land outside the community where their job is and they can build on it: the taxes perhaps would be lower. So they look for that other factor, that quality of life we talk about and there is more and more com-



muting going on, even around the smaller communities, where people are commuting into the smaller communities.

Now if you get into trying to prevent that sort of development from taking place, say filling up the land within the proper boundaries of the nearest municipality, then you take housing lots off the market and you run up the value of those that are available in the municipality and as a result you help this whole spiral of increasing costs to continue. I sure wish I had some magical answer to all this. I would sure be in a great position.

**Mr. Johnson:** Thank you.

**Mr. Makarchuk:** Mr. Chairman, I first would like to congratulate the minister on his new appointment; hopefully with the new broom that's ensconced in that ministry we may have some continuity in the people who work under him.

I think one of the frustrations I experienced at the municipal level in dealing with his ministry was the rapid turnover of personnel. It's amazing that we would develop contacts with somebody in your ministry on a particular project, but the next time we phoned or tried to contact him, we found he had disappeared and nobody seemed to know where he went. I was of the opinion at that time, Mr. Minister, that there were salt mines somewhere up around Moosonee where you shipped your people. I'm not sure whether it was justifiable or not, but they did disappear.

Hopefully that is one of the things that you will try and straighten out because there is, as I said, a great deal of frustration on the lower level, at the municipal level, in dealing with your ministry because they have problems maintaining contacts. They have problems following through on projects. They find that projects that are sent in—amendments, official plans and so on—somehow get lost, get shuffled; or else get shuffled off to another ministry.

You've done your work, at least the people in your ministry say they've done their work so they put them over to the Ministry of the Environment as an example. And there they sit and sit. Then you phone them up and they say, "Oh yes, we are going to do something about it eventually."

I think one of the responsibilities of your people is that when they get these things to see they are moved on. I understand that Mr. White at one time did issue some kind of internal edict that what would happen is that your people, if you don't get a reply

from these people within 30 days or something to that effect, would go ahead with the approvals.

What I think you should be doing is that somebody in your department should be responsible for seeing these things through, not just passing them on to the other departments where they disappear or else they are tied up. The people at the other end, at the municipal level, not necessarily just the elected officials or people working for the municipality but the people who are trying to get the subdivisions through, should have an idea just exactly why it is being held up and in what department it is being held up so that they know clearly what the heck is going on. I would like your comments on that, as to whether there is going to be that kind of change and your opinion on what I have stated.

**Hon. Mr. Rhodes:** Well Mr. Makarchuk, the rapid turnover of staff is something over which we have very little control, especially when they decide on their own volition to go on to other activities. This is occurring not only in the Ministry of Housing but in my former responsibility, where the government ministry for all intents and purposes serves as a training ground. You bring people in, employ them, they work along in a particular responsibility and then the next thing you know they have a better offer to go to a region or to a municipality which is looking for, as is the case in the Ministry of Housing, planning expertise. The municipalities know this is an excellent place to get it. Their feeling is he has had his training there, he knows his way around that planning branch, let's hire him. So we lose some that way.

There are people who, for the purposes of a promotion and recognition of their particular abilities, rather than stand still at a particular level in the Ministry of Housing go on to similar work but at a higher level in another ministry.

I hope, as you do, that some continuity can be achieved. One probably could look on the government with criticism and say get some continuity of ministers, then maybe you'll have continuity of employees, because they turn over rather rapidly there, too.

**Mr. Makarchuk:** If I may interrupt—

**Mr. Cassidy:** We're counting your days.

**Mr. Makarchuk:** —it is your department and you are responsible for its functioning, surely you could arrange it so you don't have that kind of turnover. If necessary offer economic incentives to ensure that the people remain

in that department. That's one of the many faults your department has. Because of that turnover, people in the municipalities are having problems getting their projects through. Surely that is your responsibility.

We can slough it off: we can analyse it; we can give reasons why it is happening. If we know why it is happening, let's do something to ensure that it doesn't happen.

I would like to continue further—

**Hon. Mr. Rhodes:** I just want to touch on one other point you raised, the question of the time limitations on getting these things running. We do have the 60-day requirement; 60 days and it is supposed to be back. If not, then the minister can proceed; can approve it and get it going.

In effect we have 60 days plus 30. If some major concern is expressed then a request for a 30-day extension can be made from a particular ministry. But even at that the 90 days would be a fantastic improvement over what has been going on.

You've struck upon a point that has been discussed in the ministry. We are required to circulate these plans. The Ministry of the Environment is one we deal with because of the concerns they have, and we wait for their response.

There is no question about it, at the end of 60 days I could sign the plan and say that's it, I am not waiting any longer. But if, somewhere along the line, a report out of the Ministry of the Environment suddenly pops up saying the decision is an extremely bad one for environmental reasons, I am sure you and others here would be among the first to stand up and wave that report at me and ask why I am allowing this terrible thing to happen when our own experts, within our own government said we shouldn't do it and why didn't we wait for that report.

I have had that happen in other areas. You get frustrated waiting for comment, and you go ahead with the job, only to find yourself in a very precarious position when a late report comes along.

I would like to see the whole thing move a lot more quickly, no question about that. I have already made arrangements to meet with the ministers from whom we ask for comments to try to set up a policy that will keep this whole process moving quickly.

I want to make one other comment that very vividly came to my attention this morning. I was approached by a group of municipal people from a particular part of this province who promptly told me that it had

been in September of 1974 that they had presented this plan to the Minister of Housing and to this date nothing had happened. I can't see any excuse for it being over a year so we started to look into what had happened. In their presence and with their agreement we found that the delay was not a year, the delay was actually four months. From the time they had presented this copy to the minister, which was probably as a courtesy, before they got adequate printing of their particular official plan, got it out of their consultants' office and over to the Ministry of Housing, it went from September of 1974 to July 31, 1975. That's when it arrived at the Ministry of Housing and it was there that it started to be circulated among these various agencies.

Okay, it went four months. I'm not trying to justify the four months; but many of the delays that municipalities will tell you about are self-created or created by their consultants, over whom they have control and not us.

**Mr. Makarchuk:** I will concede that what you say is correct and in many cases it's not your fault. But there are cases where it is your fault in the sense that it arrives in your department, it goes on to another department and then disappears. I don't think it would require very much effort on the part of your officials to tell the people at the other end it's held up here for this is that reason and it can be resolved either through a meeting with municipal officials or something like that. Or else tell them it can't be resolved, therefore you'll have to return it.

But their people are sitting waiting and they can't seem to get any kind of an answer. That's what bothers them. I think that's the point that can be resolved and should be resolved.

**Hon. Mr. Rhodes:** Your point is very valid. I firmly believe that some answer has to go back to the municipalities, whether it is telling them what we are doing or a specific answer. I agree.

**Mr. Makarchuk:** I wish to continue about the fact that there was a discussion earlier sort of blaming the municipalities to an extent. Agreed the municipalities are not necessarily the most non-guilty in delaying housing, at the same time the arguments that the municipalities insist on standards and therefore the cost of housing has gone up I think is rather fallacious. The municipality in many cases does not insist on these standards. In many cases, if you are developing a project adjacent to an existing project with existing standards, the people in that project want the



next project to it to have the same standards for the simple reason they've got so damned much—and you force them into that position—so damned much tied up in their home they hate to see anything happening that may somehow jeopardize the value of their home. That's one of the things.

The other point is that even if you do go ahead and build a subdivision or allow a subdivision to develop with lower standards—you don't have the paved roads, you don't have the sidewalks and so on—eventually what happens is the people in that community will demand the sidewalks, they'll demand the paved roads, they'll demand the other things. It ends up that the rest of the municipality has to contribute to the payment of this project.

So initially the municipality says look, if we're going to stick the taxpayers of the city of Brantford, if I can use an example, or any other community, with the cost of putting in your sidewalks, then you should pay for them the same as anybody else and you pay them initially.

The next point related to this is that there's no assurance whatsoever that if you do allow lower services and you tell the developer he can go ahead without sidewalks or without this or that, the developer is not going to charge what the market will bear anyway. It's not necessarily the nature of the beast as such. He will charge; he will try to get out of it as much as he possibly can. All that you will really be doing in that case is permitting him to make more profit than he is at this time.

I would suggest to you there is a possibility and there is room for reduced standards. I think where you could work it is where you're starting new developments; and OHC is a good example where they could start. In many cases, and Brantford is another example, you own land which does not have adjoining residential areas. In these areas you could bring in housing with, shall we say, lower standards, in terms of size of housing, in terms of services, in terms of sidewalks and so on, providing you pass the saving on to the people there.

I don't think anybody would object. The municipality would not object. I know in one particular case where we got involved in housing as a municipally-initiated project we went to the citizens in the area and said we wanted to rezone the area to permit 40-ft lots. We held a public meeting and explained the circumstances. The people said yes, fine. There were no objections and that's exactly what we did.

The same options are open to the builders in the community or the developers in the community. However they certainly are not taking advantage of the situation, for the simple reason they are happy with the way they are operating. They are selling the homes. They are making money at the price they are selling on the standards they now have. Then they come back and squawk: "The reason we have problems with housing is the fact we couldn't get through the developments and so on."

[3:45]

I'll speak of OHAP later, because I have some fairly good evidence to indicate that's a lot of crap. If you are buying that you are not using your people right, because there is a lot of serviced land available. Everything on the market is not being used for the simple reason that you make more money the other way around.

The other point I am concerned about is the fact OHC, up to shall we say a few months ago, was putting lots on the market and was scared to get involved in a competitive way with the existing developers. I remember one particular instance when we were discussing putting about 130 acres of land into housing. We suggested Ontario Housing do it. We will give it to you, subject to the promise that you put the land on the market at cost. OHC officials said: "Oh, we can't do that. That's going to affect the market."

That's exactly what we are all about. We were going to try to affect the market. In Brantford, we have two developers who own something like 66 per cent of the land. OHC owns another 18 per cent. That brings it up to 84, or something of that nature. Those two developers were in the position to control the market, to set the prices, to put on the market the amount of land they wanted to have available.

This is not a situation that is peculiar to Brantford. I think if you read the Spurr report—it is put out by Central Mortgage and Housing—you will see a similar situation exists around Metro Toronto and other communities.

The fact is OHC could have been, and is, in the position to shake this land loose, to knock the price down.

We costed out our share. If we put our land on the market, serviced and everything else—and we bought the land at probably the same price the developer did and I think in some cases probably higher—we could have put those lots on the market at something like \$8,000 for a single family 50 by 100 ft



lot. This is paying all the costs, plus the imposed charges and a certain percentage for engineering and so on.

The same lots were being sold by a developer across the road at anywhere from \$19,000 up. Right now they are up to about \$30,000 because there was really nobody to shake them loose.

I would suggest to you, Mr. Minister, if you are serious about getting involved in housing, if you are serious in trying to resolve some of the problems about housing in Ontario, you should get your land. You have the land right now; you are developing certain projects. You should start making that land available to the people at the cost of developing.

I would like to hear your comments at this time, Mr. Minister. Are you prepared to do that?

**Hon. Mr. Rhodes:** I think one of the things that disturbs me is that this is the second or third time I have been told OHC is being accused of working in concert with the developers in order to keep the price of land up, yet I am just advised by Mr. Rose that, in your own particular community of Brantford, we have 162 units to come on land that will be marketed at book value. I don't see where we are affecting the market in any other way but down, if we are doing that. There are negotiations going on with one of the townships for more property and units along the same line.

Yes, I think OHC should certainly have an effect on the market, but the effect should be to bring the prices down. I don't disagree with that philosophy at all. I would think, from what I have been told, that is the direction they are going.

Mr. Rose may wish to expand on that a bit.

**Mr. Makarchuk:** Yes; I would like to have something in terms of what the final price is going to be for those units, those single family homes and semi-detached.

**Mr. Rose:** Until the land is completely serviced—we have 160 units to bring on in Brantford—those units will be marketed at the cost of the housing and the book value of the land. There probably will be a difference between the book and the market value. This will enable a lower income group to achieve home ownership because the land element is marketed at the book value as opposed to the market value. There is a second mortgage on the unit, with the difference between the book value and the market

value which is callable, and that is to prevent speculation.

**Mr. Makarchuk:** Could you just give me some figures as to what your book value on the land is in that case?

**Mr. Rose:** I haven't got them because I do not think we have completed the servicing and development of the 162 land units in Brantford as yet.

**Mr. Makarchuk:** Brantford.

**Mr. Rose:** Brantford, I am sorry. Until that is completely developed and our costs of servicing are put in, we will not know the book value. It's a combination of the interest charges, the cost of the purchasing of the land plus the cost of servicing and marketing, which will give us the book value.

**Mr. Makarchuk:** Yes. I'll just give you an example where we were able to put, in this case, only 17 units on the market where the city got involved in the project. We bought the land, actually in competition with private developers. We were able to put housing on that land and sell that land at cost—these were only 40-ft lots—at about \$32,000.

**Hon. Mr. Rhodes:** House and lot.

**Mr. Makarchuk:** House and lot. I will be watching your figures very closely, because the land you are developing in this particular case has been held by you for a long time. Your carrying charges were not that high—in fact were minimal—and the land was purchased at a comparatively low price. I imagine you got it for much less than \$1,000 an acre when you bought it. Therefore, in that sense, you should be able to put single-family units on the market at about \$32,000 or \$33,000.

Incidentally, the same units in Brantford are selling right now at about \$48,000, so hopefully, if that is the case, you will initiate that policy now and you will operate on it. I will be watching it and I hope you will pursue it.

In terms of the second mortgage, I'm not sure whether you borrowed it from us or we borrowed it from you, but it was a policy that we initiated when we put our land on the market. We said that to prevent speculation we would put a second mortgage on these houses, payable to the city, should the people decide to sell the houses before five years are up, and it was totally forgivable at the end of 10 years.

**Hon. Mr. Rhodes:** I want to make two other comments on points you have made.

No. 1—because this has raised its head on a couple of occasions during these estimates—this question of OHC refusing to market land because it would affect the land market, that disturbs me and I would like, Mr. Makarchuk, if you can document this having happened I would like to have it. I would like to be able to follow this up, but if it's innuendo or a rumour or something, it's very difficult. If you have something I can put my hands on I would certainly like to have it, to see that if this is going on it be stopped. I don't agree with that position, but I need something more than simply, "I have heard that so and so is happening." I would like something in documented form.

**Mr. Makarchuk:** The discussions at that time were held with the city municipal land assembly and development committee, of which I was the chairman. The city engineer was present, two or three aldermen were present, some other city officials were present and OHC was present, and at that time there was a decision on council—since rescinded, I may add—to put this land into housing. We asked them, "Would you be prepared to do it?" and that is exactly what they said. Therefore, we opted out and said "That is not the way," and we decided to go ahead with the project on our own. It was at that time the local real estate industry got excited and presented its big report, sort of indicating that thou shalt not get involved in housing. They didn't say it would interfere with their money or their rakeoff, but that is exactly what it was. I would just give you, for your records—the fact is that you get this cry from UDI, Urban Development Institute—and this was prepared by the Urban Development Institute; the consultants were Knox, Martin, Kretch Ltd. from Bramalea; this is from their own report, which could hardly be biased my way; their own report says that space was available in Brantford in 1974 and 1975 for 3,316 units. The average we use in Brantford on an annual basis is something like 700 units. So there was no lack. In other words, they could go out—today or tomorrow, they could still do it—and take out a building permit for that many units.

Available for 1976 and 1977, there was a total of about 1,758 units. Available, sort of uncommitted, for 1978 and 1979 was another 2,970 units. That makes a total, for three years between 1974 and 1980, of about 8,044 units of housing; or of land for housing.

It was not held up by any subdivision plan. It was not held up by your ministry. It was not held up by the municipalities. It

was there and yet Brantford finds itself No. 9 in terms of cost of housing in Canada.

The reason for that is very plain. You have this oligopoly situation in land control. There are two or three developers and they can charge the prices they wish to charge. The fact is that OHC up to this point has been very weak and very unenergetic in terms of getting involved in the market and trying to control the market. You allow them to get away with it. Hopefully—and I'll be watching the results in Brantford right now—I'll be watching the final figures you are going to put on the housing, despite your commitments here. I'm sure that with those houses—you've got 162 units there; you've got space for about another 120 units over and above that which you can bring on the market; and you've got about another 216 which shortly thereafter you can bring on the market—you could appreciably affect the price of housing in that community. I have a feeling that in similar situations where you have the OHC landbanks, if you got off your backside and started developing them and told the developers you are serious about doing something about housing, you'll shake a lot more land into the market and into circulation. I think you will be able at that time to lower the cost of housing considerably; and all the other things which flow from housing in terms of rental costs, social costs and everything else.

I was rather amazed a little while ago that in a rebuttal to the member for St. George (Mrs. Campbell), I think, you said, "We have a certain amount of money only and we have to adjust our priorities. Perhaps we may have a problem dealing with housing or finding enough money for housing."

I would like to point out to you if you do not find the money for housing, you are going to have to spend it on social things. You are going to spend it on guards for jails. You are going to spend it on guards in training schools and you are going to spend it on a hell of a lot of other social problems which will develop as a result.

**Hon. Mr. Rhodes:** Obviously you either weren't listening or you read the wrong material because that is not what I said. What I did say—and the member for St. George is here—was that I think we all have to assess our priorities and if there is going to be a shortage of money I would sincerely hope that one of the top priorities of municipalities and of the province would be housing. That's what I said. I didn't say anything about a shortage of money for housing. I said we have to assess our priorities at all levels and housing would have to be a high priority.



**Mr. Makarchuk:** Okay. I'll grant you that perhaps I did misinterpret or did not hear you. But I want to make the point clear to you that if you do not spend the money on housing you are not going to save money. You are going to end up spending the money on custodial care, jails, various institutions and so on. In the long run it's going to cost you more.

Good housing means good families; it means good education; it means good health; it means better communities. If you try to cut it on one, you are going to end up paying it on the other, and with some rather tragic consequences for our society. I'm sure you're not embarking in that direction and I don't think we are embarking in that direction.

The other point I'd like to raise at this time has to do with land banking. There was the report which Mr. McKeough filed and comments in it were that OHC or the Ontario government should not be involved in land banking or should cut back on land banking. I would like to hear the minister's comments on that. Do you think that's a valid assumption? Are you prepared to draw back on the amount, shall we say the minimal amount, of land banking you are doing now?

**Hon. Mr. Rhodes:** You are referring to the special programme review report.

**Mr. Makarchuk:** Yes, that's right.

**Hon. Mr. Rhodes:** First of all, the land banking has pretty well come to an end and there is no land banking going on right now. The programme review also suggests that we should dispose of any land we presently have, if we are not going to find uses for it immediately in the particular areas. I haven't gone through that programme to see how we can go about doing that at this stage but those recommendations are there.

However we are not banking any more land at the present time.

[4:00]

**Mr. Makarchuk:** I would agree that you would have to dispose of the land but I don't mean you should dispose of it by just selling it to somebody so they can resell it on the speculative market. I suggest you dispose of it by putting it into housing at cost right now. That is the one way.

The other idea, if you embark on a policy of discontinuing the acquisition of land banks, I think you're just going to continue to pursue this rather tragic situation in relation to the shortage of housing, because that is about

the only way you can provide some control on the market at this time within your philosophical restraints.

I would suggest that by opting out of land banking you again put the whole housing situation back to the developers and speculators, who are in there to make a buck, and understandably so since that's what they are all about. If there is no countervailing force in the province or in the community to do something about that, and if you stop the land banking then you will not have that countervailing force, you are going to be back with the same problems you have. I'm not sure what kind of a bill you are going to have to introduce at that time. You've got a rent control bill now, but by that time you might have to have some kind of a housing control bill coming in to try to bail yourself out of the problem that you will bring on yourself.

**Hon. Mr. Rhodes:** I think one of the things you must remember is that a great deal of land is owned now by OHC, a government agency, around most of the major municipalities; so that the land is there. Certainly you have the Haldimand-Norfolk area and you have land around the Ottawa area and in Kitchener-Waterloo. There is quite a large tract of land that has been purchased and held in banking around my own municipality. OHC alone has something like 20,000 acres of land at the present time.

**Mrs. M. Campbell:** Purchased at exorbitant prices.

**Hon. Mr. Rhodes:** I trust if we are going to purchase the land—with the greatest of respect, if we attempt to buy land for less from people who own it, if we go through expropriation or whatever procedure we take, we have to pay whatever the market value is to buy that land. I am not suggesting we should buy it for more than its worth, but I think many hon. members would be very upset if their constituents came to them and claimed they were being taken apart by the government which wouldn't pay them the value of their property.

**Mr. Makarchuk:** I'm glad you brought out the figure of 21,000, because somebody used the figure of 100,000. I think it was the critic for the Liberal Party.

**Hon. Mr. Rhodes:** Well it may be. I am talking about OHC owning about 21,000. The total land bank may be considerably more. If you count Haldimand-Norfolk, North Pickering and that, it would total up substantially more than 21,000.



**Mr. Makarchuk:** I quite agree with your statement that you will pay the market price. I think you did in the Haldimand-Norfolk area, which was a fair price, I think the people there were entitled to what you gave them. I don't think, in spite of what the member for St. George said, it was an exorbitant price. I think it was a fair price.

**Mrs. M. Campbell:** Just look at south Milton.

**Mr. Makarchuk:** There may be other places where you may have had some kind of a deal or something which I don't know anything about but in this case I think you paid a fair price.

I think another point about the fact that you are opting out of land banking is that what you are going to do in effect is also destroy the possibility for co-op housing or non-profit housing. However initiated, they would not be in a position to carry out their functions. One of the reasons that co-op housing can operate or could operate is the fact they would be able to get land at cost. If the people who are trying to initiate a co-op housing project have to go on the market to buy the land, in most cases they find it is held by somebody else or held by a developer, who will charge the maximum he can; so that the feasibility of that project eventually being at a price level where people who initially are involved in the co-op can afford it is highly unlikely. By getting out of land banking, I think these are some of the other things you will destroy and scuttle.

**Hon. Mr. Rhodes:** I just want to clear up that point. I didn't say we were getting out of land banking. I said we have stopped for now because I think we have a fair amount of acreage around right now that we should be making use of. This suggestion is in the special programme review and is one of a multitude of recommendations that haven't been accepted or rejected since the review has just landed on all of our desks. I have looked at those which relate to my ministry, but to look at the whole programme I am not sure we are going to accept all of those recommendations.

**Mr. Makarchuk:** I hope you don't accept that recommendation, Mr. Minister, because as I said earlier, you are then going to get yourself and everybody else in Ontario into a hell of a housing mess. You are in a mess now, but you are going to get in a worse mess, because there will not be any kind of countervailing force in the housing economy to bring the cost of housing down to a price that people can afford.

The other point I am concerned about is the matter of OHAP. As I understand your policy right now, only municipalities that are considered to be regional municipalities are eligible for OHAP grants. Is that policy still in existence, or are you prepared to change it?

**Hon. Mr. Rhodes:** That surprises me. I don't think that is so.

**Mr. Makarchuk:** Could you confirm that? In some of the information we received from you, the fact is that the only municipalities which will receive OHAP assistance will be regionally-structured municipalities.

**Hon. Mr. Rhodes:** Mr. Martin, why don't you answer that for me, because OHAP is your baby; but I don't think that is quite so.

**Mr. Martin:** Mr. Chairman, we also cover the Sarnia, Sault Ste. Marie, and Thunder Bay market areas. The reason, perhaps, that the misunderstanding occurred is that the initial urban areas which were declared as eligible for OHAP were mainly regional municipalities. We don't cover the whole province, but we do cover the regional municipalities of Ottawa-Carleton, Durham, Peel, York, Halton, Hamilton-Wentworth, Haldimand-Norfolk and Metropolitan Toronto.

**Hon. Mr. Rhodes:** I want to pass along some figures that you were interested in. For a detached unit lot in the Brantford area, the book value is \$9,640; market value \$18,000.

**Mr. Makarchuk:** Why is market value \$18,000?

**Hon. Mr. Rhodes:** I don't know. I am just giving you what is considered to be the market value of that lot for a detached home—the servicing charges and everything. But under our programme they will go at \$9,640. That is the book value we are talking about.

**Mr. Makarchuk:** For a detached.

**Hon. Mr. Rhodes:** That's for a single-family home. For semis, the book value will be \$6,694.

**Mr. Makarchuk:** So, in effect, what you will be able to do, Mr. Minister—and I am working on the basis of about \$24 a sq ft—is to put housing on the market at about \$33,000.

**Hon. Mr. Rhodes:** Yes.

**Mr. Makarchuk:** At \$33,000 to \$34,000. I'm glad to hear that. I appreciate the information and I am glad that you are moving

in this direction. I will also make it public, I hope.

**Hon. Mr. Rhodes:** But it is the other point that I want to come back to again. Your criticism of us a little earlier was that we were not being competitive in the market, or we wouldn't go into this area because of the market value of the property. I think that shows—and I'm glad that you agree with this position—that we are, in fact, putting these homes and this land on the market for that price, which is well below market value.

**Mr. Makarchuk:** I'm glad to see that. Mr. Minister. With your vast resources, compared to my minimal resources in Brantford, I was able to get housing on the market at about \$32,000 for a single-family home. I'm glad that you, with your vast resources, are able to put it at about \$33,000 or \$34,000 a unit. Incidentally, I presume that assistance will be available to people from CMHC in terms of mortgages and everything else on these projects.

Getting back to the OHAP situation, can you tell me why a city like Brantford is not entitled to, or cannot qualify for OHAP assistance?

**Mr. Martin:** It's not one of the areas originally recommended by the housing task force to benefit from the short-term housing action programme. We have only added two areas since the original list of areas were mentioned by the Premier (Mr. Davis) when he established the programme in September, 1973. The areas which have been added are the regional municipality of Haldimand-Norfolk and the Sarnia housing market area.

**Mr. Makarchuk:** I still don't know—somebody said something, and therefore it is not included? There are builders in Brantford who have phoned me and said, in effect "Can we qualify to work under OHAP." They are prepared at this time to come in with some kind of units that would possibly be lower in price than some of the existing units. I can't see any logical reason why Brantford should be excluded from OHAP. Just the fact that they need housing—they have one of the lowest vacancy rates in Ontario; there's land there. In fact if OHAP can possibly be effective in terms of moving housing on a market, it's in that community, because there's space for 8,000 units sitting around. Surely you would reconsider this and put it under the OHAP programme so that builders and developers can take advantage of it. Could you give me some reason why it's not?

**Hon. Mr. Rhodes:** No, I don't think I can give you any reason. It's just a value judgement that certain areas would be dealt with and one of those was around this particular area, the "golden horseshoe" area, and a couple of communities in the north, which were the Lakehead and the Soo area. Sarnia has been added. I think probably Sarnia was added because of the Polysar development that started to take place and came on stream all of a sudden. Obviously a great demand was going to have to be met for housing outside of the city of Sarnia, in the township of Sarnia and Moore township, both areas that were coming on stream.

We're going to need a lot of housing in a hurry and I think you'll recognize that the Housing Action Programme was to bring housing on stream more quickly than it would have been built over a longer period of time. It was to speed it up and get it moving.

I can't argue your point that perhaps Brantford should be included. I wouldn't be a bit surprised that probably we could take a poll here and have a number of other communities added.

**Mr. Hall:** The whole Niagara region.

**Hon. Mr. Rhodes:** The whole Niagara region.

**Mr. Makarchuk:** Well Mr. Chairman, if you're going to apply the criteria for Sarnia, which is Polysar, similar conditions exist in Brantford. We have Massey-Ferguson expanding. You're not going to get the Nanticoke project off the ground in terms of housing for a few more years and the pressure from Nanticoke is on Brantford for housing, and so on. The same pressures, shall we say, are there in Brantford that exist in Sarnia. I would suggest, hopefully, that within the next week or so you'll look at this and reconsider and put this city under the OHAP programme so that we can take advantage.

From the industry point of view, the people at Massey-Ferguson or at White Motor Co., will tell you that one of their problems in getting people to come to work in Brantford is they aren't able to get housing right now. That's the situation that exists at this time. Surely this is the thing you want to resolve.

**Hon. Mr. Rhodes:** Perhaps when we reconvene Thursday I will be able to throw more light on that subject. Looking at what has been proposed by Mr. Danson—and I am assuming that in the next day and a half or



so we will be getting more details on that programme—it looks as though the federal government is, in essence, mounting the same type of programme, which will be on a broader scale. Perhaps we'll be able to give you some good news on Thursday morning.

**Mr. Makarchuk:** Fine, I'm glad to hear that. Now the other item is the matter of railway relocation. You know that your community, I believe, and the same with my community, have been approved for—

**Hon. Mr. Rhodes:** No, mine hasn't been; yours has.

**Mr. Makarchuk:** It hasn't? I thought it was, I'm sorry.

**Hon. Mr. Rhodes:** No, I wouldn't let any partisan politics enter into that area.

**Mr. Makarchuk:** Such virtue.

**Hon. Mr. Rhodes:** My halo is sitting very nicely.

**Mr. Makarchuk:** Such virtue I have not seen in a politician.

Interjections.

**Mr. Makarchuk:** However, can the minister indicate at this time whether this is another one of those programmes that is going to go by the board because of, shall we say, restraints, or are you going to try and pursue this policy actively, energetically and with some sense of commitment and some deadline to bring it to some satisfactory conclusion?

**Hon. Mr. Rhodes:** I don't think the position has changed at all from what it was originally and that is that we would join with the municipalities that we did name in applying to the federal government to be recognized for these studies under their rail-road relocation bill. I quite frankly don't know where it stands at this time because the Ministry of Transportation and Communications is the one that would be handling the contact between the federal government and the provincial government. When I was in that ministry, the last stage that we were at was that the municipalities were preparing, in conjunction with the province, their applications for the necessary funding.

[4:15]

It's a point that I can raise with Mr. Danson, perhaps, and it's one I should perhaps pursue in that the amount of funds available for that programme across the country were very limited. I have no idea how many

other municipalities the federal government are looking at in other provinces. We, I think, designated five in Ontario.

**Mr. Makarchuk:** That's right, as a pilot project.

**Hon. Mr. Rhodes:** As pilot projects, and we're hoping that we get those going. But again, the final decision will lie in the hands of the federal government to determine whether or not they're going to go ahead with all five, or two, or three. And they may very well say to us: "We're not going to do, heaven forbid, Brantford, and we're going to do somebody else." They could well do that. I know that when Windsor was not included we received a great deal of criticism. The mayor of Windsor indicated that he was going to be going to the federal government to be included, and possibly at the exclusion of others. I can raise that point with Mr. Danson to find out where it does stand.

**Mr. Makarchuk:** Yes, I would appreciate it. I think a lot of the other committees would.

The other programme I wish to touch on is the OHRP programme and I may add—

**Hon. Mr. Rhodes:** Which programme, I'm sorry?

**Mr. Makarchuk:** The OHRP, the Ontario Home Repair Programme. That's a very sensible programme at this time. We've used it, or the municipality has been involved in it, for a year. We've spent our initial allotment. The only thing that worried me is some of the screwing around I got when I tried to find out what is happening to the second grant from your department. I had to send you a note and I'm glad you cleared it up in the afternoon. The cheque that was supposed to go out two weeks later went out that afternoon, and I must give you credit for the fact that all of a sudden it was possible. But surely, again it gets down to that something is the matter with your department, that there are these sorts of unexplainable delays that happen. In this case I was acting for the municipality and I wanted to know who applied for the second grant about two months ago. They were being told that it was going to come through. When I phoned them they said it was coming through. I phoned them again and they said it would be two weeks hence. I then sent a note to the minister and it went out that afternoon.

Why this action? Why this nonsense? What's the reason for it? Is there any point to it? If you could say to the people: "Look, we can't do it now, but we'll give it to you



in six weeks," then fine, we'd be happy. But it's the delay, a vagueness, the dangling at the end of the string type of thing. That's no way to run your ministry, and it's no way to run this province.

Hon. Mr. Rhodes: I can't quarrel with the frustrations over delays. I can say if I know about it I try to take the necessary steps to make it move.

Mr. Makarchuk: You did in this case.

Hon. Mr. Rhodes: But I can't be in every office in the whole ministry every day.

Mr. Cassidy: You are a very agreeable fellow, John.

Hon. Mr. Rhodes: I've never disagreed with you, Mike, except philosophically, that's all.

The other point that we've run into some difficulty with this renewal programme, is that we have put the funds out into municipalities and some of the problem is that the municipalities haven't put the darn funds out into the communities. I've got two or three which still have 1974 money that they haven't put out. It bogs down there, too. I know that I'm going to be accused of blaming the municipalities, but that's a really valid one, I'll tell you. The money is there, but they just haven't distributed it.

Mr. Makarchuk: Once again I'll jump to your defence, Mr. Minister, that in our dealings with your ministry—and this is when I was chairman of the committee and I was involved in this thing—that I thought we were treated reasonably fairly. We did our end and you carried out your end. We got the money and we had no problem spending it. We administered the programme quite energetically. It's a good programme and a lot of people have benefited from it, particularly senior citizens and so on who were in a position where their homes were falling apart. They were unable to repair them. They were losing heat. They were living in dismal conditions. The programme did help, and I hope you continue the programme.

I have two more items and then I will be quiet for a period of time. One is the matter of senior citizens' housing. Again, this is a local situation in Brantford where the municipality has arranged with you for the provision of land for the development of a low-rise senior citizens' project, at Pearl and Albion. You have purchased, or are in the process of purchasing the land, and I want to know when you are going to go to work on it.

Mr. Rose: On that one, I feel that after we have cleared the purchase of the land and we have it, then we will have a local architect draw up a modified tender call which we will put out to tender. If you wish I could check as to the status of the purchase of the land.

Mr. Makarchuk: You will check that out, then?

Mr. Rose: Yes, I will.

Mr. Makarchuk: Okay. The final item, Mr. Chairman, is the matter of the 1,000 acres. I just heard a little while ago that you were holding discussions, you said, with the township about developing further property in the city of Brantford for, I imagine, Home Ownership Made Easy projects or something of this nature.

I would suggest, speaking from a city point of view and excuse me for being slightly parochial at this time, there is a concern on the part of the city in the sense that if you're going to permit that development to go ahead in the township you're going to be affecting the city tax rate considerably.

The point is that the city provides the libraries. It contributes to the hospitals. It contributes to the transportation. It contributes to recreation and so on and the adjoining community—in this case Brantford—does not really contribute any more than it has to and in many cases much less. There is a special report put out by city council called the Brantford urban growth study, which indicates that the taxpayer in Brantford, on a per capita basis, pays a lot more for providing these services than the people who live on the outskirts but still take advantage of these services.

I raised earlier with the Treasurer (Mr. McKeough) the idea that we are considering restructuring regional government in that area and the report should be out possibly in a week's time. If that doesn't work out, we are considering the idea of annexation of that particular area to the city of Brantford for the simple reason of administrative purposes and because that's the only way you can really develop it. I wonder if you could comment on what is the status of the discussions you had with Brantford township, I presume, on the development of those 1,000 acres?

Mr. Rose I am not aware of 1,000 acres.

Mr. Makarchuk: Does anybody know anything?

**Mr. Burkus:** I believe the community planning wing of the ministry is funding a development feasibility study in Brantford township. One of the specific terms of reference of this study is that the OHC land holdings in that area be a direct component of that study. You can get a better determination of how and when those lands should be brought on-stream.

**Mr. Makarchuk:** I would suggest that the same letter went out to the city of Brantford requesting the same study including these lands as well. That was part of the argument we had on council; or the problem we had. What you've got going is you've got two groups, or you will have two groups, spending your money studying the same piece of property. I think that's rather a wasteful way to operate but surely you should have put your foot—

**Mr. Burkus:** Mr. Chairman, through you, in dealing with the Brantford township case, we kept the municipality fully aware of what the ministry was involved with. The best of my understanding is that the Brantford council did concur with the terms of reference of that particular study. This is the township one so the parties were aware of and involved in what the issues were. I don't think, from the ministry point of view, that we see that as a waste of funds at all because both the participants were involved in the process.

**Mr. Makarchuk:** I was on council at that time and I was chairman of the executive when we were deciding this thing. It reached a stage when we were almost on the verge of throwing the reeve of Brantford township out because he couldn't seem to get the message. I'm not sure where you got your information. The point is the feeling of Brantford council was that we should have one study, that there should not be a duplication of studies and it should be carried out for one group. Hopefully, you will examine your correspondence on this and come to some conclusion. That's all I have at this time.

**Hon. Mr. Rhodes:** I want to make one comment on these figures and I hope to have them updated even more when we come back Thursday. Under the Ontario home renewals programme we were talking about, I said we've run into some frustrations. In the fiscal year of 1974-75, money was made available—the money was the municipality of Brantford's. As of June, 1975, the money you already had; there were 116 applications; finally approved were nine. The number of units rehabilitated eight, and none was re-

jected, so the money is there. It's \$184,335 that was available and yet it has not been used.

I'm picking you out because you're sitting there. I can go through others. I can give you a place like the city of Toronto—400 preliminary applications, 185 final; the number of units rehabilitated none. I can go on: East York, none; Pickering, none; Napanee, none; Ottawa, none.

**Mr. Makarchuk:** To be accurate—

**Hon. Mr. Rhodes:** I hope there has been some improvement.

**Mr. Makarchuk:** Right, to be fair, the programme really came on stream in the spring. There is a problem for the municipality to get started. The point is that by the end of September—

**Hon. Mr. Rhodes:** October of last year.

**Mr. Makarchuk:** Yes, all right—it was announced in October. You had the big conference at the Holiday Inn, and then nothing happened. You disappeared—not you, the last minister. I was there.

**Hon. Mr. Rhodes:** But the money is in the hands of the municipalities.

**Mr. Makarchuk:** No, it was delivered by my predecessor—incidentally, sometime around Christmas. We thought it was Santa Claus coming. He replaced the eight cent stamp, and since then the electorate has replaced him.

**Hon. Mr. Rhodes:** You probably won't be here forever; you were replaced once before.

**An hon. member:** He has one other route.

**Hon. Mr. Rhodes:** Every time you play musical chairs down there.

**Mr. Makarchuk:** Mr. Minister, I have had rude interruptions in my political career; there is no doubt about that.

**Hon. Mr. Rhodes:** We all have.

**Mr. Makarchuk:** I had a very enjoyable time on city council. Despite the fact that in July we only had eight approvals, by the middle of September we had expended the money and by the middle or end of October we had to hold up further applications for Brantford because we were not getting the money from you—despite the phone calls, the applications and everything else. This is what I referred to earlier about the screwing around we get from the ministry.



**Hon. Mr. Rhodes:** As I say, these figures were as of June. I really hope that when I get the updated figures on Thursday that we will have had a real massive improvement all the way around.

**Mr. Makarchuk:** The point is the money you allocated to us in 1975 was spent in 1975 by the city of Brantford.

**Hon. Mr. Rhodes:** Good man; that's great.

**Mrs. Gigantes:** Yes, makes a great Housing minister.

**Mr. Chairman:** Just before we move to Mr. Cassidy, I would like to point out the order is Mr. Cassidy, Mr. McEwen, Mr. Norton, Mr. Newman, Mrs. Bryden, Mr. Moffatt, Mr. Gaunt.

I will now move to the minister's philosophical sparring mate, Mr. Cassidy.

**Mr. Cassidy:** I want to make one or two quick comments, and then I want to put some specific questions to the minister.

The first comment I want to make is that I just had the chance to look at the Henderson report and the recommendations as they regard land. As you know, the report has recommended that all advance purchasing of land for provincial programmes, including housing and parks, be stopped. The recommendation is also that the Ministry of Housing review all provincial land holdings and sell whatever it can. Nothing more disastrous can be imagined.

Just last week 400 or 500 people assembled up at York University for a conference on public land ownership. I think it is deplorable that there were only two municipal politicians there, and nobody from the provincial level at all.

I just want to say to you that I think that the government of Ontario—whether it is yours or ours or somebody else's—is going to have to come to grips with this question of urban land and of the money going into private pockets. From what you are saying, it seems to me you are trying to tell us that the policy of your government is simply to let private profiteering go ahead. I can give you an example and then ask you whether you endorse this kind of thing or not.

In the Globe and Mail this morning, Dick Beddoes reported on some of John Sewell's research on a ravine property in Etobicoke held by Penco Holdings. It was bought in 1967 for \$85,000, of which about \$38,000 was in cash. There have been series of mortgages—I see the minister has the clipping there—to the point where the property is now

mortgaged for \$4.5 million. It will support 140 units if OMB approval is given to the project. That means that the original investment has increased in volume by about a hundredfold.

Is it fair to say that the minister, given his philosophical point of view, believes that that kind of private profiteering is a reasonable kind of thing to happen in the private market? Do you believe in that kind of profiteering taking place as a consequence of the kind of policies that you endorse?

**Hon. Mr. Rhodes:** I suppose it depends where you sit whether it is profiteering, as you like to call it, because you don't own the land, or whether it would be a reasonable return on investment if you did own it. You are talking about land which was purchased in 1967 for \$85,000. I have only just got a chance to look at this, and I haven't really banded the figures out. I am not too sure as to what the margin of profit is on that particular investment. So I can't say whether it's profiteering or not. I don't know, nor do you, if you are just quoting the figures that appear here in this article.

[4:30]

**Mr. Cassidy:** Does the minister feel that a 50-fold increase in the value of the land, which is indicated by the figures that the mortgagors are willing to accept, is a reasonable kind of profit to be made on the land over the eight-year period in question?

**Hon. Mr. Rhodes:** I don't think I'm expert enough in the field of real estate, because I don't get involved in those sort of investments, to even comment on it. Fifty times seems a very hefty sort of increase in the value.

**Mr. Cassidy:** We think that the people of Ontario, through their provincial government, should take action in order to ensure that affordable housing is put in the hands of everybody in the province, and you can't do that and have it co-existing with that kind of private profiteering or buccaneering.

There were 140 units in question here. That means that the land cost per unit before the land is even serviced will amount to something more than \$30,000 per unit or, in other words, that the people who buy in will have to pay something like \$300 per month just for the speculative profit concerned before they even get involved.

I think, Mr. Minister, that you are trying to set up a straw man. When we are talking about this rather interesting debate which



has gone on about growth, you're saying, "Do the people of Ontario want a system where everybody is going to be told where they can live, where they can work, what they can do etc.?" It seems to me that if the minister would perhaps talk with Mr. Wronski or some of the other planners, he would discover that the essence of the planning that is needed in the province is to have the maximum impact for the social benefit of the people of the province with the minimum effort and the minimum involvement of government. That's a ground rule for any kind of government programmes, as I'm sure the minister would agree.

It seems to me that the programme of incentives to try and get industry to go into northern and eastern Ontario have not succeeded in deflecting very much industry from the great horseshoe down here. If you are going to do it, you have to discourage industry, and there has got to begin a very constructive debate about the kinds of techniques you use in order to discourage industry coming into the areas which are overpopulated and which are growing at an over rapid rate.

The discouragement of jobs coming into this area should be used to complement the encouragement of jobs going into other parts of the province. I don't think under any circumstance that we should tell a person where he should live or where he should work. However, I do think that we are at the point where we can sit down with industry and make it difficult, by use of market mechanisms or licensing mechanisms or other such techniques, make it difficult and expensive for them to come into the Metropolitan Toronto and surrounding region, while making it more attractive for them to go into other parts of the province.

I think that the minister is wrong to set up a straw man, I think that as Minister of Housing, if he's concerned about getting affordable housing at a reasonable cost to all income groups across the province, then you have got to talk seriously with your antediluvian cabinet colleagues about that kind of thing. Otherwise you will fail in your job. Perhaps you could comment?

**Hon. Mr. Rhodes:** Again we come back to the question: How do you prevent the industry from locating? One of the easiest ways, of course, would be if municipalities just had no land zoned for industrial development, it just isn't available, and if they would not have industrial parks—I'm talking about in this particular area. I think I used the example of Scarborough, the last time we were together,

on Friday, where the mayor is very concerned about the development of his industrial park. He wants to see it developed, he wants to see industry to come in there for his own reasons, and I suppose they are valid, in looking at it from the mayor's point of view. But any industry that will locate there, if it's new industry, could very well locate somewhere else. If that land is available and it's there at a price they can afford to pay and are prepared to pay, then of course they will locate there.

So it seems to me that the municipalities themselves would have to accept that they do not want any further industrial development. As long as they make it convenient for industry to locate on properly zoned land—it fits in with their planning—they are going to locate there. I don't know how else you are going to do it.

**Mr. Cassidy:** Let me make this suggestion. I want to point out that as socialists we get driven into socialist solutions for very pragmatic reasons these days. I'm talking about the case of Metropolitan Toronto. If there was a provincial plan you would have some idea of the number of additional jobs you wished to be created in larger industries and larger white-collar enterprises in the Metropolitan Toronto region in any year. That would open the way to either licensing techniques, where the government decides which industry will have that right and which will not; or else market techniques in which you say anybody who wants to expand by more than 10 jobs, for example, has to buy the right to expand by those number of jobs through a white market which we will create through government.

If they want to bid the price up to \$10,000 for the right to install an additional new job in the Toronto area, that's fine. You would take the proceeds which, obviously, would have the effect of discouraging a lot of industry from coming into this area. You could use them to encourage the location of industry in other parts of the province, which right now are underprivileged.

**Hon. Mr. Rhodes:** What type of encouragement would you use to locate in the other parts of the province?

**Mr. Cassidy:** It can be subsidies, it can be the provision of infrastructure, it can be the guarantee of employees, it can be taking equity positions in the industries, that kind of thing.

**Hon. Mr. Rhodes:** That has to be an interesting comment, Mike. You would suggest

government funding be used as subsidy for industry? I thought you were opposed to that?

**Mr. Cassidy:** This is being done right now. I'm not very happy about it; we were much happier with the system of equity participation. It may be that the effect of the subsidy is to offset the magnet of Toronto which costs so much in social infrastructure costs.

In the same way, if I can lay another idea on the minister in relation to land, I want to suggest to you the time may come, short of a complete public takeover of land, when the government of Ontario says that where land changes use, the government of Ontario or the public steps in, and when it steps in it will acquire the development right to that point. Because the development rights are basically socially created rather than created by the individual landholder.

I want to ask the minister three or four questions which relate to this main estimate. Let me ask first, Mr. Minister, have you a housing plan for Ontario?

**Hon. Mr. Rhodes:** At this stage I can't tell you whether we do or not. I haven't had enough time to get into that ministry deep enough. I've been chased around the Legislature rather effectively with such things as rent review, rent controls, estimates and so on. I really haven't had a chance, but perhaps some of my learned colleagues will be able to answer that. I'd say—well, I won't say. I'll let them say.

**Mr. Cassidy:** Silence.

Have you a target in terms of the production in housing next year, over the next two or three years, for different income groups and different family types in the Province of Ontario?

**Hon. Mr. Rhodes:** I can answer that one very quickly. This is one minister who will not give target in the form of numbers.

**Mr. Cassidy:** You don't have an overall target, is that right?

**Hon. Mr. Rhodes:** No.

**Mr. Cassidy:** No overall target.

Do you have a target in terms of the proportion of housing that should be directed to any specific income groups?

**Hon. Mr. Rhodes:** No, I haven't at this stage.

**Mr. Cassidy:** Well, the minister is certainly frank.

Does the minister agree the housing needs are greatest for people below the medium family income, which is running around \$15,000 to \$15,500 per annum?

**Hon. Mr. Rhodes:** Yes, I'd have to agree the housing that we need the most in this province is for the moderate and low income.

**Mr. Cassidy:** Can the minister estimate, or can his people estimate, what percentage of housing starts in the province this coming year will be directed to that group below the median income and will it be affordable to them?

**Hon. Mr. Rhodes:** I can't give you those figures. Perhaps someone else can. I can't tell you. Perhaps we can dig them out for you for Thursday, but I don't have them here.

**Mr. Cassidy:** So you don't know?

**Hon. Mr. Rhodes:** No, I don't know.

**Mr. Cassidy:** Does anybody in the ministry have any idea?

**Hon. Mr. Rhodes:** I can't tell you. I don't know. If anybody has an answer will you get up and give it? If you don't we'll just admit we don't have an answer.

**Mr. Cassidy:** I'd like to know what proportion of total housing starts in the province will be directed to, and affordable by, people below the median family income?

**Mr. Rose:** Until we know the Central Mortgage and Housing Corp. budget allocations for 1976 it is going to be very difficult, certainly at least for the corporation and other elements of the ministry that cost-share or depend on federal funding, which is the major portion of our budget in the active production side, to really give any commitment in this area. Until we know how much money is available for section 43 and section 15 non-profit, co-operative housing it would be very difficult to give a commitment. I would suggest that until we have those final figures we can't make a firm commitment as to the particular target group you are concerned about.

**Mr. Cassidy:** Can you tell me then, in terms of 1975, what proportion of housing starts this year will be directed to people at or below the median family income?

**Mr. Rose:** Speaking generally, I think the bulk of the money this province has put out through the corporation and the federal funds



—the AHOP programme, the HOME programme and the programme directed to rent-geared-to-income housing—has been below that median income of \$15,000. If you are taking that as a family income, some of the HOME programme reaches \$17,000. It goes slightly above. But I think the bulk of those programmes reaches that group.

**Mr. Cassidy:** If I can pursue this, you are not talking specifically about housing starts that are influenced by the provincial programmes? Is it not correct that 30 per cent of those starts are for people earning roughly between \$15,000 and \$20,000 and the remainder are left unspecified in the hands of the builder and therefore can either be for incomes of \$20,000 or more or sort of in those upper ranges?

**Mr. Rose:** I am talking about the programmes federally funded and the ones that come through the corporation. I think you are talking about the OHAP programme. Possibly I could ask Mr. Martin if he would deal with that one.

**Mr. Martin:** Mr. Chairman, the Housing Action Programme figures are 10 per cent of the dwellings for the Home Ownership income range up, which is approximately \$14,500 and \$20,000 a year. The remaining units, up to 60 per cent, would be uncontrolled, which does not necessarily mean that they are for families with incomes over \$20,000; they could be. But in fact they are uncontrolled.

The figures for the starts last year show that of the 4,100 starts under the programme, only six were in fact for units in the over-\$20,000 income range; the remaining units were all marketed to families with incomes under \$20,000.

**Mr. Cassidy:** How many were for people earning less than about \$15,000?

**Mr. Martin:** Almost 30 per cent. I can look up the figures in a couple of minutes, but it was between 20 and 30 per cent. It was much higher than the 10 per cent originally contemplated in the formula.

**Mr. Cassidy:** What was the private sector doing, in general terms, in providing housing for people earning under \$15,000?

**Mr. Martin:** I am unable to answer that because that is a province-wide question which is beyond the scope of OHAP.

**Mr. Cassidy:** The minister knows the point I am going to make. According to Mr. Martin,

of the 4,000 OHAP starts that you made last year, 1,300 or so—about 30 per cent—were directed to people earning under \$15,000 or so a year, people in the lower half of the income range, yet that is the group that the minister says ought to be getting the most attention.

Obviously, the other programmes under the OHC were directed to people in the lower-income groups but they are a very limited number of the total number of housing starts in the province. I think that the minister will agree that the vast bulk of ownership housing and a very substantial amount of the rental housing being built by the private sector this current year is also directed to people in the upper half of the income range and not the lower half. We don't think that is good enough.

**Hon. Mr. Rhodes:** I think we must keep in mind that the programme the federal government has announced it wishes to embark on, and the one we want to work with them on, is aimed at the provision of more units for the very income groups that we are talking about, the low- and the moderate-income ranges. I think you will agree that when the figures were being kicked around after Mr. Danson's announcement we recognized, immediately, as he did later that the figure of \$43,000, which was being used for Metropolitan Toronto, was much too low for this sort of assistance programme. I recall hearing him say, and I will confirm this again tomorrow, that is going to be raised to at least \$48,000 for this area. The \$1,000 that will be made available per unit to municipalities which will take part in this programme, will be again for the moderate and low-priced houses, if you can use the term "low-price" on housing today, which I think is interesting.

[4:45]

Those are the things they have been talking about, and we agree. We agree with them all the way down the line. Rather than try to throw roadblocks in the way of what they are trying to do—I said before and I say again, I think that he is sincere in trying to make an honest effort—we would like to co-operate with him and make it work, to get into that very area we are talking about.

**Mr. Cassidy:** Mr. Minister, what bothers me, and I will close off at this point, is that you don't want to make any fundamental changes in the way that the market works. Therefore you condone the kind of profits that Penfield is making in Etobicoke. Not every profit is quite that gross, but you condone that kind of thing. You don't attempt to do



anything fundamental about land, about tenure, about the way in which development is crowding into certain areas of the province and therefore exacerbating the problems. You simply fiddle around at the edges. In that sense, OHC, OHAP, all of your other programmes are simply subsidizing private interests to make enormous kinds of profits.

**Hon. Mr. Rhodes:** I don't think that we can continue to use the Band-Aid solutions that have been applied. I get just as exasperated, I suppose, with the various types of OHAPs and ORPs, and DIPs and all the other letters of the alphabet that are used. I would much rather put the whole thing together and make it work as a smoother operation. I am sure that probably the staff feel the same way.

I don't buy entirely the background of what you are really saying, and you use an example that pops up in the *Globe* from Mr. Beddoes. It's the first time I saw it and perhaps the first time you saw it.

**Mr. Cassidy:** It raises some pretty nasty questions about—

**Hon. Mr. Rhodes:** Sure it does, but it also does one other thing and that is that it strengthens, I suppose, your argument that all lands should be in public ownership. Good luck. I don't agree. I don't think land should all be in public ownership. I don't think it should be a public utility. I don't think housing should be a public utility.

**Mr. Cassidy:** I don't see why the land in Mr. Johnson's riding should necessarily be in public ownership, but we own about 90 per cent of the land in the Province of Ontario right now and isn't it curious that the only land that the Province of Ontario doesn't own is the land where enormous profits are being made?

**Hon. Mr. Rhodes:** Of course, you're going back to Mackenzie King's great statement on conscription. You just keep changing the words around, actually. Not necessarily public ownership, but public ownership if necessary.

**Mr. Cassidy:** Well, as a pragmatic kind of socialist, I suggest to you that if land—

**Hon. Mr. Rhodes:** Playing it right down both sides of the way. You are good at it.

**Mr. Cassidy:** As land comes into redevelopment, we have to find ways of ensuring that it's socially useful, and not simply putting enormous profits in private pockets.

I want to ask one other specific question and I will let the discussion go on. I understand that the amendments which affected

condominium development on leased land have not been proclaimed, apparently because of difficulties in making it work, and that there has also been a similar kind of holdup in the permission of co-operative development, co-op and community-sponsored housing development on leased land.

**Hon. Mr. Rhodes:** I will have to let Mr. Burkus answer that.

**Mr. Burkus:** The position that's been taken by the Ministry of Housing on this one, and the understanding we had at the time the bill was passed, was that we would try to get a bit more information on just exactly how this condominium and leasehold land might work. With that in mind the ministry commissioned a task force of, I think, four or five individuals outside the ministry, with backgrounds in a legal area, and in a financial area. They have prepared a report and have submitted it to the ministry.

The minister hasn't seen it, and indeed the deputy hasn't seen it yet, because the report isn't finished. They completed the main report, but the appendix material, which related to the kinds of legal documents that would be necessary in order to give effect to condominium on leasehold land still hasn't been drawn up. In large part the assessment as to whether or not to go ahead with that kind of approach and to recommend to the government to proclaim that part of the Act is pending receipt by the minister and his cabinet colleagues of the report and the recommendations of the staff with respect to them.

**Mr. Cassidy:** Does it appear likely the recommendation will be proclaimed—that part of the bill?

**Mr. Burkus:** I can't say at the moment. At the moment we are focusing primarily on the area of whether or not condominium on leasehold land might be feasible on government land. There is some very direct interest by ourselves as the Ministry of Housing in that area. The drift of it is that with respect to private land the committee was, I guess, ambivalent to negative that it should proceed because it didn't appear as if there were substantial economies to be had by taking that route. They were not quite that ambivalent with respect to government-owned land for a variety of reasons but with respect to privately owned land, I guess the best description is they weren't overly enthusiastic about the approach in that area.

**Mr. Cassidy:** I hope that the steps are taken in order to proclaim that part of the

bill. In particular relation to government-owned land, we seem to be losing sight of condominiums as a reasonably priced alternative to home ownership. I have one in my riding which is a 20-storey highrise where the total sale price will equal about \$6 million and the building permit is for less than \$3 million. There are clearly enormous profits being made there. It seems to me that the ministry could encourage private construction on leased land with some price controls on the sale and bring back the modestly priced condominium that we seem in danger of losing.

I hope you move on that very quickly and I hope you also move in the same direction for co-operatives which are not getting the privileged access to government-owned land that they were promised and which, as I understand it, have as yet heard nothing from the ministry which had promised it would review government holdings of residential land which might be suitable for co-operatives.

**Mr. Norton:** My first question relates to something that I gather was touched upon in my absence earlier, and if it's repetitious to some extent, I apologize. It relates to the procedure for the approval of plans and the problems that most people seem to be experiencing in relationship to that. As a result of comments from your predecessor this spring and early summer, my understanding is that there were steps taken to try to streamline the process and to speed up the process for approvals. I suppose my first question is: To what extent has that speeded up the process of approvals?

**Hon. Mr. Rhodes:** I think it has had some effect. It hasn't had the effect, I think, that we would all like to have it show. I said earlier in the discussion here that I have contacted all of the ministers of those ministries that are involved in the process of circulation of these plans. As far as I am concerned, the whole thing has to be speeded up and we have to stand by the 60-day period which was brought into being. From my point of view, I am going to have to be prepared to take whatever happens as a result of it and stand by the 60 days, allowing for the plus 30 where there were major problems identified, where a specific request was asked for 30 more days.

My position is that I want to see these things move. If I cannot get the response from the other ministries and we find in our ministry that we have no objection, then I feel that it would be quite proper for me to sign these particular plans and let them go.

We must recognize that there are certain elements of danger in all of this in that some of the agencies that we circulate to, such as the Ministry of the Environment, the Ministry of Health and the Ministry of Natural Resources through their conservation authorities, want to have an opportunity to have their input into this thing there may well be occasions when—I say it as a minister now—we'll find approval but after that will come objections or reasons why I should not have it from the various ministries or agencies thereof. That's the time when you've got to look down the barrel, say, "Pull the trigger," and hope it isn't loaded; that's ail. It's got to be speeded up.

**Mr. Norton:** I couldn't agree more. I might mention anecdotally, that just prior to coming in the last time to this afternoon's session I was speaking with some people. It was a matter I inherited from my predecessor and they have now been waiting for a period in excess of two years. Perhaps there are some problems, I agree. While I was in my office we had a communication from your ministry that it would probably be another six months. I hope to follow that up in the next few days but these people are in a situation—

**Hon. Mr. Rhodes:** I hope you would, too.

**Mr. Haggerty:** They'll wait for another 2½ years.

**Mr. Norton:** —they're not major developers but the woman was in tears on the telephone this afternoon and they are in serious danger of losing what property they have as a result of the delays. I don't know how frequent that kind of situation is but I think it's that kind of thing which really is causing a great deal of concern. I would hope that within the ministry a very serious look is taken at further speeding up the procedures.

**Hon. Mr. Rhodes:** I would like to comment in this sense to the hon. members of the Legislature, all of whom represent one or more municipalities. I hope, when this procedure starts to go along and your particular municipalities come charging up to you saying, "We've never had our chance to get our report in. The minister signed it before we got our statements taken," you will all take the same very magnanimous position you're taking here now.

We're all in favour of getting these things going but usually the last comments, the last ones to come in, are from the municipalities, quite frankly. I've a golden example here within the last couple of days of an



area—the Niagara region; the one you were talking about earlier, Mr. Hall—and the comments we are waiting for are from the major municipalities in the region. They haven't responded. Everybody else has but the major municipalities—St. Catharines, Welland, Niagara—we haven't heard from them yet. They're the people with greater resources, I would suggest, than the smaller ones.

**Mr. Haggerty:** Why hasn't your ministry—

**Mr. Chairman:** Order, please. Do you have anything further, Mr. Norton?

**Mr. Haggerty:** —accepted some of the proposals and recommendations of the select committee on the Ontario Municipal Board?

**Mr. Chairman:** Mr. Norton.

**Mr. Norton:** One final comment on that. In some discussions I had prior to becoming a member of the Legislature with representatives of the ministry on specific matters such as this, I had the impression that the 60-day period is looked upon as a minimum as opposed to a maximum. In some cases, it might even be possible to expedite that further, to speed it up within the 60-day period. If it could be 60 days I think everybody would be very happy.

**Hon. Mr. Rhodes:** If it could be faster than that, great. I'm simply saying that my position is there has to be a point somewhere where you say that's it. I would be prepared to wait those 60 days. It would be better than the two years others have referred to.

**Mr. Norton:** The next question I have relates to a concept of OHC housing, particularly family housing. Within your ministry, particularly with reference to OHC, has consideration been given to any conscientious effort to change the conceptual approach to Ontario Housing projects? I'm thinking now particularly of the approach which has been followed in the past in terms of acquiring a parcel of land and developing it very densely. In many cases, this has adverse social consequences for the people who will be living in such developments, bearing in mind that in many cases the families are already facing difficulties in that there is a higher incidence of single-parent families, for example, and consequently less opportunity for supervision of the children; often a higher density in those developments than in other housing developments within a community—and too often in our own situation, and I suppose elsewhere, a deficiency of recreational facilities associated with the development.

Is this kind of approach continuing, or has there been consideration given to the kind of thing that was mentioned earlier, I believe, by Mrs. Campbell, where, for example, Whitby offered lots within a new development so that the subsidized or assisted housing could be dispersed throughout the community so that families with problems would not necessarily be exclusively associated with other families with problems, where we're sort of compounding the social difficulties?

**Hon. Mr. Rhodes:** I think there's no question that the whole programme has turned around. We now have the community-integrated programmes which do exactly what you're suggesting. There are the rent supplement programmes—people whose rents are being subsidized by Ontario Housing to locate in facilities where they are integrated within the building with other people who are not receiving this sort of supplement.

So, yes, the programme has turned right around. You will not get a quarrel, I don't think, with anyone about some of the developments back in the early years of OHC. If you go back to OHC originally, in my own community it was excellent. It was single-family units and that was back right after the war, I guess.

But, eventually, costs and everything else caught up and you got into what I consider to be institutionalizing, to the point of putting chain link fences around them. You can spot an OHC development from the air. You can spot it in the community because of its high density. But that has turned right around as people want them integrated into communities—and rightly so—and that's the avenue we're following.

**Mr. Norton:** As just a final question on that matter, I don't know whether this is a viable proposition or not, but has any consideration been given to the possibility of taking existing OHC projects and applying sort of a condominium plan to them with a view to eventual home ownership by the occupants?

**Hon. Mr. Rhodes:** That's an interesting subject. It's one that I have looked at from both sides in my own experience. I'm a little bit concerned about offering this sort of housing for sale, say existing units, where you have the townhouse sort of approach, large groupings of them.

If you offer them for sale to the individuals who are now in them, and even if you made sure the price was in line, the individuals may sell them, and my concern is that you end up with one landlord eventually owning the



whole complex. Then your control over things is gone. Gosh, I'm starting to sound like Mike Cassidy? But then you will have lost the available stock for people in that particular circumstance who need that type of housing. Then it will go on the market and probably become a rental facility on the open market. I don't really know whether that's such a good thing. You're losing that control that you want to have over those units for the people that you'd like to see go in them.

**Mr. Norton:** But could there not be some way of controlling that type of thing, to prevent total ownership by one individual?

**Hon. Mr. Rhodes:** I suppose there's a way of controlling everything. George Orwell—

**Mr. Norton:** No, but I think within one—

**Mr. Cassidy:** There's your straw man again.

**Hon. Mr. Rhodes:** No, it's not a straw man. It's a very real possibility. I think you'd have to agree. I don't think you would want to see major developments of OHC housing, now being occupied by people who need to have rent-geared-to-income accommodation, to suddenly find themselves—well, not themselves, because if they own it and they sell it and they move on. But eventually that unit will move right out of the Ontario Housing stock and would become nothing more than a rental or owned facility that would just inflate in value as it was resold.

Interjection.

**Hon. Mr. Rhodes:** At what price? We'll come back to that.

**Mr. Chairman:** We can have this cross-fire but we will go on and on.

**Mr. Norton:** I had a question ready on co-operative housing but I think it has been touched upon. I won't deal with that. Perhaps I might ask one further question relating to land speculation tax.

**Hon. Mr. Rhodes:** That comes under the Minister of Revenue (Mr. Meen).

**Mr. Norton:** In your ministry, do you have any idea of what the effect of tax has been upon land values in the province or is that also the Minister of Revenue's?

**Hon. Mr. Rhodes:** I don't know. I must confess I can't tell you what effect it's had on the overall land policy. I know of some specific instances where I think it has effectively got land on the market that wouldn't have been and was being held, and we got

it opened for development from others. It has, I think successfully, kept the price down in some areas. I didn't want to make a broad-brush statement.

**Mr. Moffatt:** I am not sure whether some of the questions I'll ask will be pertaining to this exact topic, so if they aren't, just jump in and say no.

**Hon. Mr. Rhodes:** The chairman is one of the most ideal chairmen. He will certainly keep you in line. He is one of the best.

**Mr. Moffatt:** I would like to clarify one point raised earlier between you and Mr. Makarchuk with regard to landbanking. When you made your initial comment about landbanking I wrote down the words, and I think I wrote your exact words, because I put quotation marks around them. "There will be no more landbanking." Then later you altered that. Could you briefly explain whether we are now into landbanking or are out of landbanking or, if it is a finite kind of period, what that period might be.

**Hon. Mr. Rhodes:** I think what I'm saying is, we are not now putting any more land in the bank. If that answers your question, we have a large amount of land that is presently now banked, and we are not putting land into the bank at this time.

**Mr. Moffatt:** Thank you. I will be very brief, Mr. Chairman. I would like to raise some particular local items which apply to my riding in general. One question I would like to ask is the status of the senior citizens' apartment in Bowmanville announced by Mr. Caruthers, the member for Durham, in 1972, on Wellington St., and confirmed in a newspaper announcement. These apartments were to be on leased land. Shortly after that there was apparently a change within your ministry to not lease land for senior citizens' housing. As a result, this entire development has been stalled.

I appreciate that the ministry people have been very candid with my office on this. I also think the whole thing needs to be clarified rather drastically. It has been the subject of intense discussion over the last couple of weeks between the owner of the property and the ministry.

**Hon. Mr. Rhodes:** I will get Mr. Rose to answer that.

**Mr. Rose:** I believe this is where we are negotiating the lease of land—

**Mr. Moffatt:** That's correct, sir.

**Mr. Rose:** All I could do is find out where we stand as of today with respect to the person who wants to lease it to the corporation. I could get back on that on Thursday if that would be acceptable, and give you the report.

**Mr. Moffatt:** The reason I referred to that specific case is that quite often it seems to me the action of your ministry, and Mr. Norton and other speakers have spoken on this this afternoon, has been of a lateral type of movement at the very best. It seems to me it is not enough to be constantly assuring the public we are going to move into a programme of X, Y, or Z. Rather, it is important to demonstrate to the public that once a programme is announced, when the time and effort in preparing the proposal has been substantial, it seems to me it's up to the ministry to follow through on what it announces. That announcement was quite firm. There were no attendant riders at the time. What happened is that a good number of other proposals which might have come forth with regard to senior citizens' housing in that particular community were not put forward, and have been held in limbo. As a result, we have very little senior citizens' accommodation in that particular community. That seems to me to be the kind of internal communication your ministry could tighten up substantially.

Another area I would like to touch upon is the business of reports, recommendations, input from municipal, environmental and other groups when a proposal comes to the ministry. You were very critical of municipal input today, and sometimes those are the last groups heard from. I'm aware of that. I'm also aware that your ministry is remiss in following through on that kind of action when it's required—when information is required of your ministry by other agencies.

I would like to introduce to this discussion the problem of massive development in an area by such government agencies as Ontario Hydro, particularly in the town of Newcastle area. I'd like to have you table for us the amount of input you've had with regard to anticipated growth as a result of that kind of major project. We have projects of that significant magnitude being considered across the province by various agencies, and I wonder if, indeed, your ministry is brought in in the initial stages to advise on housing requirements and so on, and if they are not at that stage, at what stage does your ministry have input into that kind of thing?

The total impact of a development like that is bound to be, to a great extent, affect-

ed by what your ministry has to say with regard to available housing. I would gather that the kind of approach used by the Ministry of Housing with regard to things such as the Courtice concept would not be of particular relevance to Ontario Hydro, and yet it seems to me that that argument got carried through. My question, sir, is at what point do you have input into such schemes as Ontario Hydro? Where did you come into the scheme with regard to the Pickering airport? Was your ministry's involvement an afterthought, or did you, in fact, get involved initially?

It seems to me that what we should be doing is having greater input from an agency such as yours at the initial stages, rather than waiting until some plan is fully blown and into the mill, and then deciding that we need housing and having to put agricultural land or something else aside in order to get housing. It seems to me that in a number of cases we create our own crises. There was a report in the Toronto Star on Saturday which hinted that, in addition to the federal \$1,000 grant to municipalities to pay for municipal services in new developments, your ministry was going to have some significant grant to make to municipalities with regard to that kind of front-end services for municipal—

**Hon. Mr. Rhodes:** No. We already have that now. We have had a \$500 or \$600 grant per unit that we were making as a provincial government. The federal government has now come along with \$1,000, and one of the things we're looking at is the ability to carry on with these programmes together.

**Mr. Moffatt:** Okay. If this has already been discussed, I'll check into Hansard. That particular programme, sir, is that indeed to pay for front-end services to the municipalities on a basis of \$500 per planned unit, or just how are those grants in aid of municipalities given out?

**Hon. Mr. Rhodes:** I'll let Mr. Martin answer. He's been up to his ears in this for some time.

**Mr. Martin:** Mr. Chairman, they are unconditional grants paid to municipalities—

**Mr. Moffatt:** Unconditional grants?

**Mr. Martin:** —unconditional grants paid per unit for any units which are approved and constructed under the Housing Action Programme.

**Mr. Moffatt:** They must be OHAP-approved dwellings? They are not, therefore, available to all municipalities in the province?



**Hon. Mr. Rhodes:** No. The ones we have were under the Housing Action Programme.

**Mr. Hall:** First you have to qualify for OHAP.

**Hon. Mr. Rhodes:** But the programme that Mr. Danson has announced does not, as I understand it, have that sort of attachment to it.

**Mr. Martin:** No, sir. That's for medium density, which Mr. Danson has described as between 10 and 30 units to the acre, of moderate income housing; and I have not yet heard him describe what he means by moderate income.

[5:15]

**Hon. Mr. Rhodes:** Again, I'll just expand on that. In the discussions that we had with him in Ottawa when he made that announcement, he did throw out some figures as to the various price ranges he was talking about in various communities across Ontario. I take it that tomorrow's meeting—which I will be attending along with other Housing Ministers—will be to expand on that and give more detail on it. But there was no limitation as far as designated areas are concerned, such as we have in OHAP, but there was, as Mr. Martin said, for the medium density and for the moderate- and low-priced housing, \$1,000 per unit.

**Mr. Moffatt:** If that \$500 grant is available to the participating municipality under OHAP for unconditional servicing, is that \$500 tied in any way to the kind of lot levies which municipalities impose?

**Hon. Mr. Rhodes:** As far as we are concerned, no. The lot levies are usually those which the municipalities themselves arrive at.

**Mr. Moffatt:** You see that is exactly what happens—in various municipalities lot levies are arrived at on the basis of hard cost of the municipality in previous years, and its anticipated costs of new development, and so on. In others I suspect, they are arrived at by means of a ouija board.

**Hon. Mr. Rhodes:** I must confess I don't know. There are a number of things that I have to get down to talking about with municipal people on a one-to-one basis—or one-to-four or five—to find out what is happening. I hear about charges in one municipality of \$3,000 per unit, and in another of \$1,000, and I hear of some where they have \$500. I don't know what is happening. I wonder if in all of these municipalities these

sorts of imposed charges are for the hard services or are they, in fact, taking the money as extra revenue and using it for whatever purpose—perhaps the soft services that are required? If they are being applied directly to the hard services, I don't see how they can be \$3,000 in Oshawa per lot, and \$500 per lot in some other community.

**Mr. Moffatt:** I think, sir, that the lot levies are imposed in a great many cases as a defence mechanism against the kind of action which the Durham region saw with regard to the creation of that particular region. Right now we are having a fantastic debate over whether the provincial treasury should come up with \$6 million or the \$1 million which the Treasurer (Mr. McKeough) promised. That kind of surprise ending to the story of regional government is the sort of thing that leads municipalities to build in defence mechanisms such as the very high lot levies and impost duties.

One kind of solution—it's not a total solution—to the morass of red tape which has built up in municipal services, is that the unconditional grant referred to—your \$500 and the federal anticipated \$1,000—be available in some fashion directly proportional to the size of the lot levy. If a municipality puts forward a lot levy which in all cases is simply tacked on to the final cost of the house to the home purchaser, there should be some kind of relationship between fact and hard cost. Since the hard service costs vary from municipality to municipality, the kinds of grants that are available under OHAP should bear some relationship to that kind of hard servicing. And to use \$500 as a kind of even number in Niagara Peninsula, in Durham, and in Ottawa or in Sault Ste. Marie is a little bit unreasonable. We should have some kind of relationship between cost and the kind of grants you get.

**Hon. Mr. Rhodes:** Yes, I see your point. As I say, I have a lot of work to do to determine where some of these lot levies are coming from.

You say that in some cases it is a built-in defence mechanism. I would like to find out if that is correct, and if so, why are they building in this sort of thing. The money, I feel, should be charged back to the hard servicing necessary to bring that lot on-stream, ready to be built on, to create a home.

**Mr. Moffatt:** If I may just pursue that one step further. What is happening is that money, which was meant through OHAP to



create housing, is being used to protect previously built residences. Somewhere, that kind of situation has to be corrected. Now, I am not saying that the municipalities are the evildoers in this case and I don't want to suggest that the ministry is totally at fault for this either. It seems to me there has been a kind of parallel thinking going on. The municipality is operating on one level and the ministry is operating on another. At some point, there was a great divergence and we suddenly were hit with these impost fees and various things like that, which have in all cases held back the construction of new houses.

I would like if I may, to ask one more question. It maybe not be something that the minister can deal with but I would suggest it is an area that needs attention. In this province, the land transfer tax below a \$35,000 transaction is quite a reasonable figure, according to lawyers to whom I have talked. But at \$35,000 the land transfer tax takes off like a rocket. When people arrange to buy a house, they are suddenly floored with a \$400 or \$600 additional cost which is tacked on to their legal statement. It seems to me that at some point in the past \$35,000 was perhaps regarded as a line between cheap and expensive housing.

In today's housing market the number of houses that you can buy for \$35,000 could be counted on one hand in Oshawa I know. That kind of land transfer tax does add to the cost of housing and contributes to the kind of reluctance on the part of some people to move into a house. If you are going to be hit with an additional \$500 on your legal fees on closing, that is going to be a deterrent. We hear constantly that the federal government is the evil one in this whole business of housing. I would suggest that that's something you in cabinet should really urge to be changed by this provincial government. It is in your purview to do something about it. It does add significantly to the cost and I don't see any relationship between \$35,000 and reality in today's housing market.

**Mr. Gaunt:** I had a matter related to subdivision approvals. I am not sure whether I should discuss it under the policy and programme development item in this vote or whether we should be talking about it under the housing development which is vote 4, I believe. I seek your judgement in this respect. Mind you, I would prefer to get it off my chest now.

**Mr. Chairman:** It sounds like a subject which has been probably discussed on this

vote. However, this is our third day on this vote and we still have two speakers. If you feel it really comes under this, that's certainly fine.

**Mr. Gaunt:** I would feel it would come under this vote.

**Hon. Mr. Rhodes:** Let's leave it on the shelf.

**Mr. Gaunt:** I won't be long. I just wanted to seek out the views of the minister with respect to this problem. I think it is a problem because I had some involvement with subdivision approvals over the years and it is a very frustrating business. It is lengthy; the delays are certainly frustrating from the developer's point of view and frustrating from the point of view of people at the municipal level who want to move the projects forward to meet the needs of their people within the municipality.

We have an added problem. I'm in somewhat the same position as the member for Durham East who has just spoken. We have a hydro development, Douglas Point, creating a great deal of pressure on our services, on our schools and on our housing—the whole bit. The communities that are involved primarily with absorbing that development are Kincardine, Port Elgin and Southampton. To get subdivision approvals in those three municipalities is like pulling hens' teeth, to use a farm expression. It is very difficult.

**Mr. Makarchuk:** Only an agricultural critic would say that.

**Mr. Gaunt:** Let me run through a scenario for you here on a subdivision approval in Southampton.

**Hon. Mr. Rhodes:** Is this on agricultural land?

**Mr. Gaunt:** No, it is right in the town.

**Hon. Mr. Rhodes:** I just thought I would ask.

**Mr. Gaunt:** This chap purchased 12 acres of land in the town of Southampton in June, 1969. On Feb. 4, 1970, he received a key number from the Department of Municipal Affairs, as it was at that time. On April 20, 1970, he got a report from the Ontario Water Resources Commission that they were against septic tanks and would not approve them. On March 9, 1972, the sewer programme was started in the town and he received draft approval on a 48-lot subdivision with complete services.

On Nov. 22, 1973, after working out a subdivider's agreement with the town and having the surveyors and the engineers engaged in getting the plans ready for final approval, he received a letter from the ministry stating that he could not get approval until a study by the Saugeen Valley Conservation Authority was carried out on the flood plain. Then, on June 13, 1975—we're getting fairly current now—a meeting with a Mr. Chang from the Ministry of Environment concluded that his 12 acres were now 95 per cent in what is called a 100-year flood plain.

**Hon. Mr. Rhodes:** Oh, 100 years.

**Mr. Gaunt:** A hundred years, right. The majority of the land was, interestingly enough, above an area that was fronted by cottages and some permanent homes so that if that area was any 100-year flood plain, heaven help the area down in front. I mean the whole proposition, in my view and in the view of the town, was just preposterous. To think that that area, that area which he was proposing to subdivide, was going to be in a 100-year flood plain—

**Hon. Mr. Rhodes:** Excuse me, Murray. What year did he find this out?

**Mr. Gaunt:** Well, we're up to June 13, 1975.

**Hon. Mr. Rhodes:** That's when he found out that he was in a 100-year flood plain?

**Mr. Gaunt:** No, no, he found out he was in the flood plain on November 22, 1973.

**Hon. Mr. Rhodes:** Nineteen-seventy-three. Okay.

**Mr. Gaunt:** So we're up to 1975 now.

**Hon. Mr. Rhodes:** Making time.

**Mr. Haggerty:** He has only 98 years to go.

**Mr. Gaunt:** I am sorry, I missed that one.

**Hon. Mr. Rhodes:** That was a good line. He's only got 98 more years to go.

**Mr. Gaunt:** Well, I certainly think that's just about right at the rate we're going here. On June 17, 1975, he received a letter from the Ministry of Housing stating that unless the town does a study in the flood-plain area, his draft approval would be dropped. So there we are. That's where it sits. The town says they're not going to do the study on the overall flood-plain area in the town at this time. I think they're faced with constraints from the financial point of view. They don't

want to spend the money. Here this fellow is away up on high and dry land and he can't develop his subdivision.

**Mr. Hall:** Another example of a developer holding land off the market.

**Mr. Gaunt:** I have talked to the Ministry of Natural Resources about this and I've talked to the minister about it. If we could ever get these conservation authorities **straightened away and get them down to earth** with their feet in the ground instead of away up on cloud 20, then we might make some progress with this particular development. Let me go back just one step. I can recall the former Treasurer, Mr. White, talking about the red tape and the machinations that one had to go through in order to get approvals for subdivisions. He made the point, I think at some municipal meeting, that he was going to cut out all of this business and he was going to set up an entirely new procedure whereby he would give the various government agencies so long, and if they didn't respond to the circulation, he would instruct his people to go ahead on the presumption that if they didn't respond they must be in favour, and there was no point in waiting any longer.  
[5:30]

I think the time frame within which he was talking was something like three months. If the plans were circulated and nothing was heard from the various agencies within that time, then the plan could move forward. And may I say I think that was a good idea. I think one has to have some sort of time limit on these things, otherwise they just drag on and on and on.

And I'm wondering what the ministry has done with respect to that? Has it got off the ground? Do you have a new system whereby you deal with these things, because if you have I must say I haven't heard about it.

**Mr. Makarchuk:** They are building an ark for the next flood.

**Hon. Mr. Rhodes:** That's an interesting comment. We will get back to that in a moment. But I just hope there is as much fortitude out in the hustings as is being displayed here today. I think we all agree. I will answer this again. The 60 days—

**Mr. Gaunt:** I'm sorry, you have had it before?

**Hon. Mr. Rhodes:** Oh, I've had it three or four times here.



**Mr. Gaunt:** Well, I will read it in Hansard, I am sorry.

**Hon. Mr. Rhodes:** No really, I will do it very quickly. It was 60 days. This is the requirement for the circulation, plus 30 if there was a major problem that was created, and it was supposed to be for three months. You are correct. Now I like to think that is going to be coming into vogue. I won't repeat all of what I said, but the point is that I'm prepared to start signing these approvals in the face of what may develop.

But I do want to touch a bit on the flood-plain, because that is something that I have had some experience with.

**Mr. Gaunt:** Bad?

**Hon. Mr. Rhodes:** Both. But I think one of the problems we have is that your conservation authorities—as they operate within your particular community and combination of communities—have been, or are for the most part, made up of people who represent the municipalities, or are appointed by the municipalities. They are either members of councils or their appointees on these things. They make these decisions that these are flood-plain areas all based upon some meteorological information that they gather. And they say: 100 years ago they had a flood year. Well, I don't how far back we are going to go. Noah had a flood too. I don't know whether they are going to start that sort of control. But the other factor in various parts of this province is that here in this part it's Hurricane Hazel—that's the criterion.

**Mr. Hall:** That was a 50-year storm.

**Hon. Mr. Rhodes:** Is that only a 50-year storm? Well, you go to other areas and you've got—the Timmins storm is one that they look at. These are 100-year storms, and great areas of land are basically taken out of development by conservation authorities who say you can't do anything on these areas, you can't develop these areas at all until the necessary upstream flood control programmes have been completed—such as dams or what have you.

The only difficulty is that in many cases these flood plains suddenly become parkland, and they stay parkland for ever and ever. It is very difficult to get subdivisions approved when the conservation authority is opposed to it, because they are a rather strong force in these various communities. I had the whole town of Milton under flood control.

You couldn't put in a new window in a building down there because the whole town had been placed under flood control. I don't know how you are going to overcome that unless you are going to have your conservation authorities back off on the 100-year flood terms, or the Hurricane Hazel flood terms, or whatever it may be.

Then the other side of the coin is if you permit the development to take place, and if by chance this 100-year flood does take place, who is going to wear the horns for allowing development to have taken place where everybody knew it was going to flood?

**Mr. Haggerty:** I don't think we will be around.

**Hon. Mr. Rhodes:** Wait a minute. Let me give you a little example: In my own community back in 1969 and 1970 we had a 100-year flood in two consecutive years—one in 1969 and one in 1970. And we were told these were 100-year floods.

**Mr. Angus:** It means you are good for 200 years.

**Hon. Mr. Rhodes:** Who knows? But I thought I was good for 100 years after the first one, but a year later I was up to my armpits in it again. A great deal of criticism was levelled on the municipality, on the local conservation authority and on the province for not having controlled these particular flood waters. The damn town has been there since 1850, I guess.

**Mr. Chairman:** Are you finished, Mr. Gaunt? Excuse me.

**Mr. Gaunt:** No, I am not really quite finished. Excuse me, I won't be long.

Let me deal with the flood plain situation for a moment—

**Hon. Mr. Rhodes:** First of all, I just want to add that as far as the Ministry is concerned, we don't have any control over that area. If they criticize us and send us a report saying, "No, you can't build in that area," or "You can't approve a subdivision," we have to look at what they are saying. We can overrule, I suppose, but then what we are doing is we are going in and overruling an autonomous body representing the municipalities and that conservation authority. I don't know whether or not we can get away with that; that's why I am saying that if I can get the same type of fortitude back in the hustings that has been displayed here today, we might be able to get together on that.



**Mr. Gaunt:** I think we might. I just think we might. My big beef with the conservation authorities in this respect is that they can't insure for 100 per cent. Do you know what I mean? One of the principles of insurance is that you don't insure for 100 per cent. I mean, if we are going to do it for flood, we have got to do it for wind. We have a hurricane every 50 years, what do we do? Do we support our buildings three times the extent to which we would normally do it in order to cover the eventuality that maybe once every 50 years we have got a 90-mph wind? I just think we can't take all of the risk out of anything, no matter what it is.

The other point that I make—and I am going to get into this with the Minister of Natural Resources (Mr. Bernier); I have talked with the minister about it on a number of occasions—is it really the function of the conservation authorities to get into this kind of area? Essentially, this is a planning problem and they are not planners. They can recommend, they can give their advice but they really are not planners. I can't understand what sort of power has all of a sudden descended upon the conservation authorities in this respect, because in our own area they have recommended a flood-plain mapping programme and that's going to be part of the official plan of Huron county. That's going to be right on the document of the official plan—no “ands,” “ifs” or “buts,” there it is—and it is based on the Hurricane Hazel flood.

**Hon. Mr. Rhodes:** What happens if we refuse to approve that official plan, based upon the fact that we think they have gone too far with their flood-plain mapping?

**Mr. Gaunt:** You would get some support from me, if that means anything. I would agree with that. I think they have gone too far. For instance, the town of Brussels is 90 per cent on the flood plain. We have land that has never been flooded, even during Hurricane Hazel; it's flood plain. I don't know how they arrived at that. Nobody knows how they arrived at that.

I think that somewhere along the line we are going to have to get this thing into perspective because, based on my own area and the experience we have had there with the conservation authorities, heavenly days, 25 per cent of the land in the province is going to end up as flood-plain land. I think the conservation authorities really have substantially overstepped their bounds in terms of their original objectives and aims. I don't think they should be into the planning func-

tion at all; they can have an input into it, but I don't think they should be involved in it to the extent to which they are at the moment.

The other point that I want to make, and then I will leave this area is in terms of the time it takes to get these subdivisions through the red tape. When it takes a year, two years, three years, sometimes even more than that, in my view this all adds to the cost of housing. We have been talking about that. The member for Brantford (Mr. Makarchuk) was talking about that earlier, and he pinpointed a few of the areas where the cost comes in. This is another area where the cost is increased, and increased in some cases substantially. It seems to me that one of the things we could do to lower the cost would be to streamline the system for subdivision approvals.

**Hon. Mr. Rhodes:** I would like very much to see that whole thing streamlined and speeded up considerably. Hopefully, than can happen.

I want to repeat what I said earlier. The various agencies, ministries and agencies thereof, indicate a concern about what's happening. If I don't wait for their comments—if I give them 60 days and at the end of the 60 days they haven't replied, which means they have no objection so I go ahead and sign it—we have to be prepared to take the very severe criticism which may be raised if someone from a conservation authority or the Ministry of the Environment or the Ministry of Health comes along suddenly with a report after the fact and says “Here, hold on. Look what you've done.”

**Mr. Sweeney:** That's their fault.

**Hon. Mr. Rhodes:** That's all right for you to say but I'll tell you whose fault it will be. It will be the minister's fault and the headline of some newspaper somewhere will say, “Ministry Flies in the Face of its Own Advice.” Some good member somewhere will stand up and say, “Look at that. That's what you call incompetence. Your own people tell them they shouldn't have built the subdivision there and they went ahead and did it anyway.”

I have been through that exercise.

**Mr. Makarchuk:** Surely, Mr. Minister, one of the things you have to separate is the input of areas as opposed to developments on the fringe of existing communities and so on. I think a good case can be made for in-filling situations and a good case can be

made for the prevention of development on fringes which are—

**Hon. Mr. Rhodes:** In-filling within existing municipalities, again, is a question of what are the—if you have flood-plain control. If you happen to have that.

**Mr. Makarchuk:** That's the problem. They apply there and consequently you have no construction. You have parcels of land surrounded by buildings sitting there and somebody says it's going to be flooded. Everybody living along the edge is prepared to take that risk and yet you don't do anything about it. Your ministry—not yours; the Ministry of the Environment of course—just sits on it and says, "We are going to call the meeting with the local people sometime and decide what we are going to do about it."

**Mr. Chairman:** Are you finished, Mr. Gaunt? Mr. Sweeney, do you have any comments? You indicated so earlier.

**Mr. Sweeney:** I had one question I wanted to clarify. Did I hear you correctly when you said in the Brampton situation—

**Hon. Mr. Rhodes:** Brantford.

**Mr. Sweeney:** Brantford, rather—the book value was approximately \$9,100 for a lot and the market value would be about \$18,000 for the same lot? Did I hear that correctly?

**Mr. Makarchuk:** It's \$9,640.

**Hon. Mr. Rhodes:** Yes, you are pretty close. It was \$9,640 book value.

**Mr. Makarchuk:** That's services and everything.

**Mr. Sweeney:** Okay. Following up, is it reasonable to assume that kind of approach to the servicing and marketing of land which is presently under the control of your ministry could be expected to expand?

**Hon. Mr. Rhodes:** Again, it will depend upon—I am talking about book value—when the land was acquired; the price of the land when it was acquired. We haven't deflated the price of the land. That was the price when it was acquired and the cost of the servicing at the time. If we go out and buy a piece of property today in the same area, we are going to pay \$18,000.

**Mr. Sweeney:** Okay. Let's just look at the ratio. Roughly, here, we are talking of almost a 50 per cent difference.

**Hon. Mr. Rhodes:** That's land which has been held for some time in the municipality.

**Mr. Rose:** Five years.

**Hon. Mr. Rhodes:** The land has been held for around five years so we have not applied the inflationary value to the land.

**Mr. Sweeney:** Assuming we are talking of land held for about the same period of time—I guess what I am after is is it the intention of your ministry from this point on to attempt to do this kind of thing for marketing serviced land?

**Hon. Mr. Rhodes:** That's right. Under the HOME programme that has been the programme and will continue to be; to sell the property at book value, not at market value.

**Mr. Makarchuk:** Does that mean the Kitchener development may proceed along those lines, the land you have up there?

**Hon. Mr. Rhodes:** Yes, indeed. But the book value not the market value—no question—depends on when the land was bought. If we were buying land in the same area right now, it would cost us \$18,000. Maybe we should buy it and hang onto it and five years from now when it is worth \$36,000, we can sell it for \$18,000.

**Mr. Sweeney:** Am I correct in interpreting your use of the words book value to mean the same thing some of us mean when we speak of selling at cost? Is that the same word or is there something else in there that I have missed?

**Hon. Mr. Rhodes:** It's the cost of land, plus interest, plus services.

**Mr. Sweeney:** Yes, that's what I mean. In other words, all your costs are involved but no profit margin or no market value or anything like that.

**Mr. Hall:** No taxes.

**Hon. Mr. Rhodes:** No, we don't include the taxes.

**Mr. Chairman:** Mr. Haggerty.

**Mr. Haggerty:** Finally. Thank you, Mr. Chairman.

I want to discuss a problem I raised last year during the supplementary Housing estimates. It concerns the involvement of Ontario Housing in the town of Fort Erie.

I'd raised some objections to a scheme that was going to be presented to the municipality in Fort Erie, particularly as it relates to the profit that was going to be made by the developer on an acre of land. I think that I



figured it out to be about \$25,000 profit on one acre of land. I thought that was kind of ridiculous in a municipality like Fort Erie where you could buy serviced lots valued at about \$4,500 to \$6,000. I'm talking about lots with an 80-ft frontage and 110 ft in depth. The ones purchased for the Ontario Housing scheme would have been 50-ft lots. I thought that somebody was going to make a bundle off it, and I'm sure I was right.

I later found out that Central Mortgage and Housing Corp. in St. Catharines actually blocked this proposal and stopped the development under Ontario Housing Corp. CMHC said there would have been another \$3,000 tax or levy put on the lots. It would have brought the lots up to close to \$14,000, perhaps almost twice as much as any other lots sold in the municipality.

I was interested in Mr. Cassidy's comments that he thought that land should remain in state control. If this is the type of development that we're going to have where we're going to have government move in and supply the land to home owners, under the HOME programme, then I'm afraid that I wouldn't want to support such a programme. I can readily see that an excess profit was being made just because Ontario Housing Corp. had become involved in such a scheme.

Surely, there must be some place in our system today that will provide homes in Ontario where we won't have the government making money. These people would have bought this home—I don't think they would have bought the land, because they were going to lease it with a 50-year mortgage on the property, so they would never have become actual owners of the land. Maybe Mr. Cassidy is right when he says it will come back to the state. Maybe he's right in this part.

But the point I'm trying to make is that, surely, there must be some way that we can provide land at cost to a person who wants to buy a home in the Province of Ontario. The red tape that a person has to go through in the first place to get land is awful. I'm a strong believer that the old method of purchasing a home was the best, where a person's job was the security required.

**Hon. Mr. Rhodes:** Pardon me, that's what we're doing now.

**Mr. Haggerty:** No, you're not doing it.

**Hon. Mr. Rhodes:** We certainly are doing it. Don't tell me we're not, because we are doing it.

**Mr. Haggerty:** I can pinpoint this one particular instance where you are wrong—I

should say the government was wrong. What you've done in that area, you've added an inflationary cost to land values. I checked with the regional assessment office in St. Catharines. Already the assessors are out in that area to reassess the land for market value, since Ontario Housing Corp. has put the price up to \$14,000 a lot. That has increased the value of land in that area just because of the involvement of Ontario Housing Corp. To go in and buy a lot in that area now, they're asking about \$9,000. I suppose \$9,000 doesn't mean much to some other municipalities in the Province of Ontario, but when you have the average income in that area running at \$7,000 to \$7,200 a year, it's quite an expense for a person in that bracket to own a home.

**Hon. Mr. Rhodes:** I want to talk for a minute about what we've been doing in the HOME programme. This is where I may have misunderstood what you were saying earlier, or misheard what you were saying. What we are doing now is we will take a piece of property—and I'll use these figures, for example, in talking about Brantford. We will sell the person the house and the property with the book value of the property—we'll use the detached lot, single-family home—for \$9,640. The market value of that is \$18,000. That's the present market value.

**Mr. Haggerty:** You're talking about the lot.

**Hon. Mr. Rhodes:** Yes, the lot. Just the lot. Let's say that with the house and everything on it we use a figure of \$33,000 as an example. What we do is we sell it to the person for that price of \$33,000 with the land value being \$9,640. The difference between \$9,640 and \$18,000 is held as a second mortgage by the Ontario government.

As long as the person stays on that property that is their cost, the \$33,000. Now, if the person wants to sell that property—because it is a home ownership; it's not a lease, they own the property—if they want to sell it, then we call the difference between the market value and the book value. This we think is a fair and reasonable thing to do, because that property has now gone on to another owner. The land is worth the \$18,000, or was at the time, and the land now is properly paid for.

**Mr. Haggerty:** It will take them about 15 years to get any equity into that scheme though, will it not?

**Hon. Mr. Rhodes:** No, we don't charge any interest on the second mortgage. There's no interest on it. We're simply calling the



difference. The person can stay in that particular facility—how long is the mortgage on the second?

**Mr. Rose:** It is 35 years.

**Mr. Haggerty:** It's 35? This was 50 years, on this particular scheme.

**Hon. Mr. Rhodes:** You're going back to the old leasing scheme, that which is no longer—

**Mr. Haggerty:** This was just a year ago.

**Hon. Mr. Rhodes:** It was changed in August of last year.

**Mr. Haggerty:** You changed it in August.

**Mr. R. S. Smith:** At the end of 35 years that mortgage disappears.

**Hon. Mr. Rhodes:** Yes. The whole mortgage disappears.

**Mr. Rose:** The difference between the book value, in this case, of \$9,600 and the \$18,000, the owner is liable for that at the end of the 35 years, wherein he can either pay it off or refinance it.

**Mr. Haggerty:** Then he's not getting it for nothing.

**Mr. Rose:** The point is, that under the old lease programme all that the owner did was pay the rent on the land.

**Mr. R. S. Smith:** I realize that, but—

**Mr. Rose:** But it's changed considerably. What happens now, on the land portion, he is paying off, over the 35 years he is actually gaining that land at the book value. His liability is the difference between book and market, which at the end of 35 years, if he hasn't sold and is still in the house, he can then refinance. But he is in fact building up his equity on that \$9,000 initial book value. Before all he did was pay rent. He never acquired the actual ownership of that book value before. This change came about in August of this year.

**Mr. Haggerty:** The point I'm still trying to get to is that since the involvement of Ontario Housing Corp.—in this land speculation—I should put it that way I guess—is that you've changed the market value of land in that area. I don't think Ontario Housing went in and made an appraisal of other land values within that area. To put a price tag of close to \$14,000 on the lot is simply ridiculous in this particular area.

**Hon. Mr. Rhodes:** The first item you raised was a piece of land that you said was to be sold at a high market value.

**Mr. Haggerty:** That's right.

**Hon. Mr. Rhodes:** We didn't buy that land.

**Mr. Haggerty:** No, you didn't buy the land because the matter was raised in the Legislature here. And then Central Mortgage and Housing would not go for this thing because—

**Hon. Mr. Rhodes:** The board turned it down.

**Mr. Haggerty:** Pardon?

**Hon. Mr. Rhodes:** The board of Ontario Housing turned that down at the time, despite the fact that the developer or the owner of the land was trying to flog it through the local council.

**Mr. Haggerty:** That was St. David's Investments.

**Hon. Mr. Rhodes:** I don't know who it was.

**Mr. Haggerty:** It's an outfit located here in Scarborough, Ont.

**Hon. Mr. Rhodes:** They were pumping at that local council trying—

**Mr. Makarchuk:** All the bad guys.

**Mr. Haggerty:** I'm saying it was Central Mortgage and Housing that put a stop to it because they could see what was going on. If the matter hadn't been raised in the Legislature the deal would have gone through.

**Hon. Mr. Rhodes:** The deal was off, cancelled and over before it ever got to the Legislature.

**Mr. Haggerty:** No. I talked to one of the persons involved in it and I said: "Can you justify that \$10,000?" If I was aware of the other—some \$3,300, I believe it was—that Ontario Housing Corp. was going to put on to it, it would have brought the lots up close to \$14,000. It was Central Mortgage and Housing that put a stop to it. They said no way would they be involved in such a deal. So just how many more of these deals are going on throughout the Province of Ontario?

**Hon. Mr. Rhodes:** Ray, that is totally irresponsible for you to make that comment because in fact it is not correct. It is improper for you to pass out in this public forum that these deals are going on. There are no deals going on like that.

**Mr. Haggerty:** It is very odd that it would stop just like that because the matter was raised on Dec. 15, 1974.

**Hon. Mr. Rhodes:** The deals are not going on and the land you were referring to was not bought. You are talking about a hypothetical situation which could have happened; if it had—

**Mr. Haggerty:** No, it was stopped by Central Mortgage and Housing. This is what I am trying to convey to you because they could see that the price was going to be beyond the average price of lots sold in that particular area.

What I am trying to convey to you also is do you make an appraisal in a municipality when you go in to buy land?

**Hon. Mr. Rhodes:** Yes.

**Mr. Haggerty:** You do.

**Hon. Mr. Rhodes:** We get an appraisal by both CMHC and OHC.

**Mr. Haggerty:** How did they ever arrive at a lot—these are going to be serviced lots, there's no doubt about it. They were going to include water, sewers, street lights and roads. I am just a little bit alarmed about the procedure which perhaps could have happened in this particular instance. No doubt it would have happened—

**Hon. Mr. Rhodes:** It didn't happen.

**Mr. Haggerty:** No, it didn't happen.

**Hon. Mr. Rhodes:** And I think whoever raised the alarm is really immaterial. It didn't happen and it is not going to happen.

**Mr. Haggerty:** The damage has been done already to land values in that municipality. Every other real estate person has gone out and said, "If this is what they can get for the lots, this is what we are going to ask."

**Hon. Mr. Rhodes:** How in the world—you must have some really strange real estate people in your area because there is no value placed on something you haven't bought. We didn't buy the land.

**Mr. Haggerty:** No, but all you had to do is have it in the paper and say lots are going to be sold for \$13,000 or \$10,000 a lot.

**Hon. Mr. Rhodes:** But if nobody buys it,

**Mr. Haggerty:** Right off the bat everybody else figures the land is worth that much.

**Hon. Mr. Rhodes:** But if nobody buys it, there is no market.

**Mr. Haggerty:** No, but the land is being sold now almost at that value.

**Mr. Chairman:** Order, please. It is now 6 o'clock.

**Mr. Haggerty:** We will continue when—8 o'clock?

**Mr. Chairman:** No, as a matter of fact, the committee is not sitting tonight.

**Hon. Mr. Rhodes:** Ten o'clock Thursday morning.

**Mr. Chairman:** I would like to inform the committee that we have had only 15 speakers in the last three days and we have not completed vote 801. We now have one day to finish the estimates of the Ministry of Housing. I have two other speakers listed. I wonder if the subjects they have could be brought up under any of the other votes? Should I call for a vote on item 1? What is the feeling of the committee?

We have had a very wide-ranging discussion—

**Mr. Haggerty:** Not wide enough yet. I have some areas I want to cover.

**Mr. Makarchuk:** Come under other votes.

**Mr. R. S. Smith:** If you have gone this far in three days covering everything under one vote why don't you just do the whole thing under the one vote?

**Hon. Mr. Rhodes:** I can't think of anything we haven't touched in the whole vote—it's just one big vote. You are right.

**Mr. Chairman:** I'll place the question. Shall vote 801 carry?

Vote 801 agreed to.

The committee adjourned at 6 p.m.

## CONTENTS

---

Monday, November 24, 1975

Ministry administration programme, concluded .....	S-564
Adjournment .....	S-595

## SPEAKERS IN THIS ISSUE

---

Angus, I. (Fort William NDP)  
 Campbell, M. (St. George L)  
 Cassidy, M. (Ottawa Centre NDP)  
 Gaunt, M. (Huron-Bruce L)  
 Gigantes, E. (Carleton East NDP)  
 Haggerty, R. (Erie L)  
 Hall, R. (Lincoln L)  
 Johnson, J. (Wellington-Dufferin-Peel PC)  
 Kennedy, R. D. (Mississauga South PC)  
 Makarchuk, M. (Brantford NDP)  
 Moffatt, D. (Durham East NDP)  
 Newman, B. (Windsor-Walkerville L)  
 Norton, K. (Kingston and the Islands PC)  
 Rhodes, Hon. J. R. Housing (Sault Ste. Marie PC)  
 Sweeney, J. (Kitchener-Wilmot L)

### Ministry officials taking part

Burkus, J., Executive Co-ordinator, Policy and Programme Development Secretariat  
 Martin, P. J., Executive Co-ordinator, Housing Action Programme  
 Rose, J. B. S., General Manager, Ontario Housing Corp.





Government  
Publications

# Legislature of Ontario Debates

SUPPLY COMMITTEE

ESTIMATES, MINISTRY OF HOUSING

OFFICIAL REPORT — DAILY EDITION

First Session of the Thirtieth Legislature

Thursday, November 27, 1975

Morning Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975

## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MCS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.

## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

---

THURSDAY, NOVEMBER 27, 1975

The committee met at 10:05 a.m.

#### ESTIMATES, MINISTRY OF HOUSING (continued)

On vote 802:

**Mr. Chairman:** I will call the committee to order, and say good morning to the committee members and to the minister.

**Mr. Makarchuk:** We welcome him back after his time off to heal his scars. I don't see too many scars.

**Hon. Mr. Rhodes:** Some scars.

**Mr. Chairman:** This is the beginning of the last day of the estimates of the Ministry of Housing, so I am sure it will be a good day.

**Mr. B. Newman:** Are you having a wing-ding after?

**Mr. Chairman:** We are now commencing vote 802 and I realize there are six items in here. Do you wish to take it item by item or as a complete vote? A complete vote? Okay.

**Hon. Mr. Rhodes:** Mr. Chairman, just before we get to the start of that. Last week, Mr. Makarchuk asked the question of me concerning the provision of additional senior citizens' units in the city of Brantford and I said I would have some reply back for him today.

Just the highlights of it: The city council of Brantford on March 20, 1974, which I'm sure the member's familiar with, asked Ontario Housing to provide 200 senior citizens' units in addition to the 201-unit senior citizen project under construction at the time. The survey was undertaken by the ministry in April, 1974, and it could not substantiate the number of units requested. It appeared the 201-unit project would satisfy the then-existing demand. Notwithstanding the lack of demand, the city requested OHC to consider the purchase of the correctly zoned site, 0.84 acres, at the northwest corner of Albion and

Waterloo Sts. The corporation purchased that property in September of this year.

The question of demand has been clarified. A recent review of applications on file indicate the need for approximately 70 to 100 additional units, and OHC has engaged the services of a firm of consulting architects to design and prepare preliminary drawings for the development. We expect to be in a position to have the preliminary drawings approved by city council, and advertise a modified tender call for construction in the early spring of 1975.

**Mr. Makarchuk:** Early spring of 1975?

**Hon. Mr. Rhodes:** I'm sorry, 1976.

**Mr. Makarchuk:** I see.

**Hon. Mr. Rhodes:** I have a copy of a letter with this information in it for you.

**Mr. Makarchuk:** We would all appreciate that.

**Hon. Mr. Rhodes:** There's a typographical error in that. I think we're saying early spring of 1975, when we mean early spring 1976.

**Mr. Angus:** Retroactive.

**Mr. Makarchuk:** I appreciate receiving your answer, and I stress again that it is a needed facility in Brantford.

**Hon. Mr. Rhodes:** We recognize that need by the survey. It will be under way.

**Mr. Makarchuk:** Thank you very much.

**Mr. Chairman:** We'll commence discussion on vote 802, Mr. Angus.

**Mr. Angus:** I guess about a week ago during these estimates, it was on a Friday, you related to Thunder Bay and the sort of boom situation that we found ourselves in there. During the same conversation you were also talking about a certain amount of local autonomy and the willingness of the ministry to help expedite problems in severances and what have you.



I know my colleague, the member for Port Arthur (Mr. Foulds), has talked to you in the last couple of weeks about the rural amendment to the Lakehead official plan. I realize that things are changing now. If your ministry is very serious about providing a certain amount of local autonomy and expediency in approving plans, it could act on the five- or six-year wait that we've had for the approval of the rural portion of our official plan, which we know will help ease the very critical housing situation we have once it is approved. I would just like to find out from you what the status of that amendment is and when we can anticipate the completion of that part of the planning process and the city can move into the much more finer zoning.

**Hon. Mr. Rhodes:** I'm going to pass this to either Mr. Wronski or Mr. Farrow, but I do believe that particular question of the rural planning has been resolved and I think some direction has already gone up to the planning board.

**Mr. Angus:** Really?

**Mr. Wronski:** We did receive the final draft prepared by the municipality in the summer of this year. We have responded to it and we shall probably be able to process it this year or very early next year. We are on the last stage of approval.

**Mr. Angus:** Has the municipality been informed that it's in the last stages of approval, or are they still waiting for their answer?

**Mr. Wronski:** Yes, we notified them by letter very recently.

**Mr. Angus:** How long ago? Because I was talking with them on Friday of last week.

**Mr. Wronski:** A week and a half ago.

**Mr. Angus:** A week and a half ago?

**Hon. Mr. Rhodes:** I had received a telegram from the housing chairman, Mr. Hennessy. We responded to that telegram by letter, which was sent by courier up to Thunder Bay.

**Mr. Angus:** Would it be possible for me to get a copy of that letter?

**Mr. Wronski:** Yes, certainly.

**Mr. Angus:** Thank you. I would just like to add, though, that it has taken a number of years for this I realize fairly complicated plan to be approved; it's been rejected a number of times. I would like to think that

other communities who are having similar problems, that their request be looked after in a much more expedient fashion than we've seen in Thunder Bay.

**Hon. Mr. Rhodes:** We hope to be able to expedite a lot of these things, and especially official plans for those communities that are getting them prepared. I won't go into the same sort of comment I made before, but again we do have some difficulties sometimes getting the responses from the various agencies and in some cases the participating municipalities which are involved, but all things being equal we think we can speed things up considerably.

**Mr. Eaton:** I want to talk about your community planning branch, and start right off by just looking at the reference in the beginning of your blue book as to what it does. It says:

The community planning wing of the Ministry of Housing has been created to promote sound, effective and stimulating community planning as a setting within which adequate housing at reasonable cost can be supplied. [The first statement there] The character, spatial organization, design, economic viability and social balance of communities. . . .

I just want to make some comments about that, because we have gone through an experience in our community with your community planning people. A small village had a simple request to rezone a building that had been a drug store. It was in non-conforming use; they wanted to change it to a bank, but that of course didn't go with the official plan so the township turned it down. There were no objections from the people there, but the township turned it down because they wanted the group to go to the OMB to get it changed; so it went into the OMB.

It was sent over to your ministry, to your planners, for comment. Now I would assume that the planners are looking at it, in the light of your statements in the book here, with a view to what it might do to this village, what the effects might be on the village if that building were to sit there as a shell, or if five or six other buildings became empty and also couldn't be reused because they were non-conforming uses. After chasing them for approximately 30 days to get comments back to the OMB, the comment came back: "It complies with the official plan."

Now surely if they are planners, if they are looking at communities in the light of

what effect changes like that will have on communities, they should be commenting in the light of the statements they have here; what effect it would have to have buildings become empty on the main street of a small village and be left there because they couldn't be used for anything else but residential purposes now. To me, if you have got a planning branch they should be going out to that community and looking at those kind of things before they make comments, looking at what effect it will have on the communities.

It's utterly no use at all to have that kind of statement sent over to the OMB, because the OMB knew that. Surely they just didn't send it over to have it come back saying: "It complies with the official plan." All the people in the community knew it complied with the official plan.

What are planners for? Are they just to say it complies with the official plan or are they there to put some real input into what's happening in the community?

At the same time in that community, there are people coming along and talking about putting a mall on the edge of the town, and at the same time trying to get comments out of the planning branch about that. There was nothing forthcoming.

Now Mr. Minister, I would like to have some comments from you on what these planning people are trained to do, what they are trying to do, if in fact they are any use to the communities in helping them in regard to what's really helping. No just with reference to the official plan that's on paper, but as your statement says here, "to the character and viability of the communities."

**Hon. Mr. Rhodes:** Well one of the key words in the whole thing is "promote"; not "dictate", not "tell", not "do", but "promote." That word is very large and clear and is in the same size print as the rest of it.

The comment that is being asked for—and I eventually will give this to Mr. Wronski—what was being asked for was actually a comment on the official plan. Now I don't know what other comment you would expect to have from the community planning branch other than to say that the particular request does in fact conform with the official plan as far as they are concerned. What other comment would you be looking for?

**Mr. Eaton:** I would expect the planners to go out and have a look at the community and, if they are really intent on doing anything to help in the way of planning, to say,

"If that building there is left empty it's going to have an effect on the main street, or the viability"; or, "We have gone out and looked at that place and maybe it should be left until it gets torn down"; something along that line. Surely, if they are really planning, if they are really looking at the community they would comment in that way to be of some assistance.

**Mr. Wronski:** Mr. Chairman, there are two aspects of this kind of problem which were referred to. First of all, as far as comments go, the Ontario Municipal Board are concerned; those are the kind of comments the Ontario Municipal Board expects us to give. They don't want a planning evaluation because that would be discussed during the hearing. They simply want us to state where it conforms to other legal documents of the municipality.

**Mr. Eaton:** They knew that already.

**Mr. Wronski:** They want a confirmation from people who are advising the minister of approvals to the official plan.

**Mr. Eaton:** The other thing I can't understand is why it takes over 30 days for somebody to write a comment like that, that it complies to the official plan.

**Mr. Wronski:** I can't answer that. I will look into why it takes such a long time.

On the other aspect which was referred to, the question of actual promotion of planning and advice to local municipalities, it is only since June of this year that we have been geared to that function. Our field offices in the planning advisory services branch are specifically set up for that purpose, to go out and discuss with the municipalities the pros and cons of the planning proposals, such as a shopping mall or the revitalization of the downtown of the municipality. That is the specific function of that branch.

**Mr. Eaton:** Then why aren't they out in the field doing it? I can go over some other instances I remember another area in the riding—

**Hon. Mr. Rhodes:** Bob, let me—

**Mr. Eaton:** Let me finish this one, please.

**Hon. Mr. Rhodes:** Let me comment on this one. Now you know you are making some rather strange accusations and everything, and you make it sound as though the only municipality in Ontario is the one you repre-



sent, and I suppose you have to feel that way. But I invite you to come over and go into that community planning branch, over in the Sun Oil Building, and wander around and see how many—there are an awful lot of these papers coming in.

I am not saying that delays are acceptable. It would be more fun for me and considerably more for you if we could have them come in in the morning and out in the afternoon, but that isn't going to happen. You know it and I know it and it doesn't happen in any logical business.

**Mr. Eaton:** Well if they are coming in for some worthwhile purpose, but there was really no need of them coming in for that kind of a comment. Everybody knew that.

**Hon. Mr. Rhodes:** We are requested to comment, and I think as Mr. Wronski has pointed out comments to the OMB must be based upon the official documents of the community. If we start getting into the planning aspects of it, we are in some way pre-empting the hearing that the board intends to hold and listen to those who are pro and con from the particular municipality involved.

As far as assisting people with their planning is concerned, that's what Mr. Wronski has said, the advisory branch is—how long has it been in effect now? It has just been in operation since June. You know full well that we don't exactly have an overabundance of staff or the possibility of getting them.

**Mr. Eaton:** Well then if you don't, and you don't have an overabundance, why tie people up for those periods of time for those kind of comments? Why should they have to be referred like that? I started to mention the other instance in which a community was looking at developing another area, and this one goes back some time so I don't remember the full details of it, but the comment coming back in this case from one of your planners, regarding some changes, was that it shouldn't be changed because it was zoned agricultural and it's good agricultural land. Well I talked to that person personally at that time and I asked him if they had ever been out there to see the land; no, they were just going by the document which was laid there to indicate it was zoned agricultural. Well there has never been a thing grown on it as long as I know of; you know it just wasn't that kind of land.

If you are going to have planning people commenting on plans they should be seeing the areas they are talking about, not just going by a piece of paper.

I am critical of those kind of things and I just pass it on to you and hope that you can do something about it. That's one of the biggest holdups we have over there, it results from those kind of comments.

**Hon. Mr. Rhodes:** Yes I hope so too; I hope we can do something about it and hopefully it will happen.

But the other thing I am a little concerned about, and I read this from your comments and from those of others, is this tendency on the part of municipalities, small and large, particularly small ones, which want to come to the government agency to handle those things which are just a shade on the rough side. I've seen it happen. I've been a part of a municipality that's done it. I've sat down and looked at it and said: "Oh boy, this is a hot potato. What do you say we send it to the OMB and let them make the decision?" Then, of course, it all falls back on the terrible government agency in Toronto. And if it goes according to one side they say: "Don't blame us, blame the OMB." So they're going to end up with 50 per cent of the people happy with them, and we get 100 per cent mad at us.

**Mr. Eaton:** But your people are part of drawing up these official plans.

**Hon. Mr. Rhodes:** We approve them.

**Mr. Eaton:** There are official plans that have been sitting there for two and up to three years that people are waiting on.

**Hon. Mr. Rhodes:** We approve the official plans; right. It's got to be speeded up.

**Mr. Eaton:** Okay, if they're going to be approving those official plans and if they're going to make comments on them, then they should be seeing the areas that they're talking about. If they can't, then they should get out of that planning business and let the people in the local communities who are living there draw up the plans the way they want, and not wait another two years for approval down here in Toronto.

**Hon. Mr. Rhodes:** I don't want to sound as though I'm passing the buck or anything, but when you start talking about those lands which may be zoned as an official plan designated for agriculture, then that official plan would have been circulated to the Ministry of Agriculture and Food for their comments.

**Mr. Eaton:** That's only in the last eight months.



**Hon. Mr. Rhodes:** We would have to assume there is a great deal of intelligence in our ministries.

**Mr. Eaton:** That system has been in effect only in the last eight months.

**Hon. Mr. Rhodes:** They would know agricultural land. I must confess that where I come from, you couldn't raise a disturbance on the land. So I'm not going to comment.

**Mr. B. Newman:** Are you saying it was held up in the Ministry of Agriculture and Food, Mr. Minister?

**Hon. Mr. Rhodes:** Oh, I wouldn't dare say that, but I would say it probably contributed to it.

**Mr. Eaton:** This was before we even had a food-land development branch over there.

**Hon. Mr. Rhodes:** I see, how long have you had it now?

**Mr. Eaton:** A year.

**Hon. Mr. Rhodes:** A year; and they're just getting going now, really?

**Mr. Eaton:** Yes.

**Hon. Mr. Rhodes:** We've had our community advisory branch since June. Would you give us the same length of time to get going as you gave their branch?

**Mr. Eaton:** I'm talking about the planning branch now—an official plan.

**Hon. Mr. Rhodes:** So am I.

**Mr. B. Newman:** The minister's comments are a little too much.

**Mr. Wildman:** I'm following this with interest. I'm wondering, when you advise the local communities on their official plans, what sort of input do you have? I've met a number of local officials who seem to feel that in some cases they were almost coerced into agreeing to aspects of an official plan which the local community didn't really like. I'm thinking of a particular instance somewhat like the instance Mr. Eaton was discussing, where part of the official plan designated land as agricultural land, or let me say rural land. I'm talking about Sailor's Encampment—the minister knows it. It is a place people have used as residential land for a long time. The fact that it's designated as rural land means it's hard to get severances and so forth. I'm just wondering what kind of input you have when it comes to arriving at an official plan.

**Mr. Wronski:** Mr. Chairman, it certainly depends on the kind of planning problems

the municipality is experiencing. It also depends on the stage of development of the planning process they are in. Obviously, when our people go to a small municipality they start, first of all, to describe to them the proper planning process and the advantages it offers, or the disadvantages if they don't have a plan. In some cases, admittedly, the provincial policies and provincial standards are stated quite clearly and simply so that the municipalities are aware that if they don't adhere to them the approval process will be lengthy, because they will get adverse comments from other departments.

We advise them on what the provincial standard is, or what the expectation of a standard is for servicing tight urban development; what provincial policy is regarding rural residential development—all these kinds of things which have been stated by the province as the adequate planning policies expected by the province to be introduced in local planning processes.

Since the creation of this new branch, which the minister referred to, we are also now extending financial assistance to municipalities, specifically small ones.

You will notice that in our estimates there is about \$1.7 million specifically designated for grants to municipalities to start the planning process, and to pay partly for the consulting services. In many instances our own staff prepares the fair zoning bylaws or the preliminary official plan or this kind of consideration.

**Mr. Wildman:** I am just wondering then how is it that you expect municipalities to develop rational plans in the absence of an overall provincial plan. I'm just wondering what kind of overall planning you have which can be used as input for small communities when they are coming up with their plans. Have you developed an overall provincial plan? If not, at what stage is that at right now?

**Mr. Wronski:** As we stated before, I think, during the estimates, the overall provincial development policy plan is being prepared by Treasury and Economics. There have been several regional plans and policy statements defined by the government. You obviously read of the Toronto-centred region plan and there are many other regional statements which have been prepared, such as design for development, etc. There have been also small policies—and by small I don't mean small in the term that they cover just a small area. I know they cover the whole province. I am referring to the policy of residential development in rural areas. We have standards which

are applicable to any community depending on the form of development. These are servicing standards and environmental standards which have been developed by other ministries.

The fact that we can promote planning in a small community is quite correct because development of a small community with up to 15,000 or even 50,000 people doesn't necessarily affect the total development programme in the province. Those are long-term documents dealing with growth maybe over 20 years. Therefore, I don't think these two are mutually exclusive. The fact is that we don't have a carved-in-stone provincial plan at this stage.

**Mr. Wildman:** In other words, you are saying that you could have regional or even smaller units planned without an overall provincial plan.

**Mr. Wronski:** To a point admittedly, yes, we can have.

**Hon. Mr. Rhodes:** The point of that is that by going out into the various areas, growth centres have been identified. We're saying here's where it is logical to allow growth to take place. In many cases, that is determined by the availability of services and I'm talking not only about the hard services but the soft services as well. We do get a considerable amount of criticism, particularly in a small community, where we've got X number of lots that we can put on the market and we want to get this approved so we can get the houses built.

In this day and age everybody wants to count numbers and see how many units are being started, especially Mr. Cassidy, who lives with a tabulator somewhere, and whether it's good or bad wants to build the houses. I don't think that you agree with that either. We identify a growth centre and we are accused then of overruling the local municipal autonomy because we say in one municipality we don't think we should approve that plan because they don't have a hospital in the area and the school is inadequate to handle the numbers.

**Mr. Wildman:** Is that Chesley you are talking about?

**Hon. Mr. Rhodes:** No, I'm not talking about Chesley. I see your friend in front of you.

There are no hospital facilities, there is no school of any size, the library is inadequate. Down the road apiece there may be a growth area where we should have growth and more homes going in because the services are there.

I suppose you could say that sort of planning would be taking place.

In mentioning the rural part, the community that you're referring to and which I'm familiar with, again our hands are not tied but we have to be concerned with what Environment is going to say to us, such as: Is the water table satisfactory? Can we get septic tanks in? Will it pollute the water-courses? And this sort of thing. In some cases they'll say to us they can approve the residential plan providing that it is a rural area where you require 300-ft frontage and X number of acres of land before you put up a house.

**Mr. Wildman:** I understand that and I'm sure it has been brought up before. Last night I think I wrote about 10 letters regarding land severances to your ministry which you'll be receiving in the next week or so.

**Hon. Mr. Rhodes:** You are promoting these severances, I take it.

**Mr. Wildman:** No, I'm trying to find out what is happening with them. I'm not saying yes, they're good or no, they're not. I just want to know what's happening. One case started in the fall of 1974. As far as he knows, he has the health unit's agreement, he has Environment's agreement—and in some cases they involve Natural Resources as well—and they're somewhere in the Ministry of Housing.

I just want to find out what's happening. It's not necessarily saying yes, this is a good severance or no, it isn't, they'd like to know one way or the other.

Now starting in the fall of 1974 was an extreme example, but there are many that started last spring and people are still waiting to hear what's happening. They've heard from these other agencies; so obviously, as has been mentioned before, there has to be some speedup in letting people know one way or the other.

**Mr. Wronski:** I don't think we can justify these kind of delays, neither would I want to justify them. They do happen and when they are brought to our attention we certainly look into the specific cases, but we are also trying, at the same time, to streamline the whole process and the whole machinery. I would only like to bring to the committee's attention that in this Province of Ontario there are about 30,000 consents a year being processed by the local committees of land division as well as by this machinery. The volume is, indeed, very large.

**Mr. Wildman:** Oh I understand that; and when I've had contact with officials in your



branch I've had co-operation. But it seems to me that in many cases these files seem to disappear and it's when you remind them that they come out and they process them and you get an answer.

**Mr. Makarchuk:** Ministry of disappearing files.

**Mr. Wildman:** Is that the case or am I just getting that impression from my contact with some of your officials?

**Mr. Wronski:** Maybe Mr. Farrow will answer that, because he is very intimately connected with these files.

**Mr. Farrow:** Mr. Chairman, the answer is no, that's not the way they are usually processed. There may be some instances, when a file has some particular problem, in which it seems to take a long time, a letter's been sent to some agency or other and perhaps we've forgotten to follow up on it. It's our responsibility to do that; we take that. We'll definitely get these letters you've sent in and look after them, but we don't have a process that relies on members writing in to get action.

**Mr. Wildman:** No, I didn't mean necessarily just members, I mean for anyone.

**Mr. Farrow:** Anybody.

**Mr. Wildman:** There is one problem—

**Mr. Sargent:** I would like to say that—interjecting here—that Mr. Farrow is one man who gives you action. You've come through with a land severances in a matter of days.

**Mr. Wildman:** I also understand there is a problem in that many times when people approach the ministry, or when they approach their member, they don't have their file number, don't have all the information and you have to go back and forth and so on.

But there is one other area I'd like to talk about and that is: What is your input into the rural and native land—I don't know exactly that term for it—land programme? It involves mostly non-status people living in many cases in unorganized territories in the north.

**Hon. Mr. Rhodes:** Are you referring now specifically to housing?

**Mr. Wildman:** Yes.

**Hon. Mr. Rhodes:** I mean the actual building of houses; that would be OHC that gets into that.

**Mr. Wildman:** Okay, we'll leave it to OHC then.

**Mr. Hall:** As a new member, I look at these Housing estimates, and again the programme description that starts on the first page of vote 802, and I can't help but feel there should be more planning to achieve goals than there is, in terms of your responsibility to create housing. It may be unfair, but it seems to me there is too much planning to avoid all complaints rather than to achieve goals.

It's a matter of attitude, I suppose, but the description sounds great and it sounds wonderful when you look at clause one:

Character, spatial organization, design, economic viability and social balance of communities allows a fulfilling lifestyle for everyone.

Of course the problem is, gentlemen, it doesn't allow a fulfilling lifestyle for everyone because we're not getting enough houses. And you do sit in a position of control.

You say that you approve official plans but certainly you also reject official plans if they don't fit the pattern. I commented before that so far I have the feeling you don't want to advise in the construction of an official plan, and you might have reasons for saying that; but unfortunately a lot of time is wasted if, by not having given them basic requirements, it ends up that the plan is disapproved at a later date.

I am just going to ramble here on a few other things. I have noticed in our community and a lot of communities the adverse effect of the automobile on land use. I think in many ways we have become slaves to the automobile, in the sense of the requirements for land that are taken up by municipalities, with regard to setbacks and sideyards, which are tending to make land less available in many respects. This, to me, is something on which there should be a more clear cut attitude because it is having the effect of spreading everything out even more, which to my mind is undesirable.

You talk about municipalities that have zoning bylaws which set out agricultural zones. As a party, we have been asking for some time for a development plan for the province—or a large portion of the province, the southern portion—as a means of advancing planning and permitting more local autonomy under an overall plan. For example you get an agricultural zone; which is really a holding zone, because it is considered a holding zone by a lot of people. It is a large



land area; it isn't anything else so you call it agricultural.

I can understand it is difficult for you to get out and inspect every piece of property. I know you do have agricultural area representatives who participate in land severance hearings; however, maybe there's potential for a refinement by talking soil zones, or asking that soil classifications be attached to these agricultural zones.

It makes a great deal of difference whether or not that's class 7 land. John Rhodes said, "you couldn't raise a disturbance;" well there is a lot of land around our way that, "you couldn't raise your hat on"—it's our local expression, John—but it is still called agricultural, and it sits there dormant year after year.

Just skipping over to land severances. I think one of the criticisms I have experienced with regard to regional government was the creation of regional land severance committees. In a particular municipality, such as the borough of West Lincoln, which historically had been divided into three townships, before the regional committee came along there were six representatives; and of course now it is reduced to two. The input of a local nature tends to disappear because of the regional nature of land severance and the applicant is very hard pressed to make his point and explain circumstances which just aren't that closely understood by a member of a regional land severance committee.

Running through the whole set of circumstances here on the delays, and everybody has commented on the delays—I certainly could comment on the delays. Again I go back to the point I have tried to make before, the matter of reassigning your priorities to sort out whether you want to get more houses up and effect an economic relief, or whether it has to be done so that the boat isn't rocked at any time in the process.

The business world for many years has used expeditors. They have paid people on their staff who chase things through; who get after suppliers and find out why things are not moving. I suggest that you could advance your housing programme by having people charged with the responsibility of expediting; it's a proven management technique.

I notice on page 38 you talk about programme descriptions. I wonder if the minister could tell us something about the new towns which are referred to in a very general way in item 6 of programme description 11? Could you answer that now and let me continue later?

[10:45]

Hon. Mr. Rhodes: Which number was that again, on the vote?

Mr. Hall: On page 38; the first description, item 6.

Mr. Sweeney: While you are looking for that could you include in your answer some kind of overall philosophical statement as to where your ministry stands about the expansion of housing around existing municipalities to take advantage of existing services, as compared to starting brand new towns from scratch where you've got to put all the services in?

I understand there are both philosophical and economical reasons why you do one rather than the other. Could you give us some kind of a statement as to where, at this point in time, your ministry stands on that issue? As part of the answer to what—

Hon. Mr. Rhodes: I'm trying to locate what Mr. Hall is referring to, because unless the numbers are different in our books—they shouldn't be—he said page 38 of the blue book? I'm at page 38 where the—

Mr. Hall: Do you have a different blue book from the one we have?

Mr. Sweeney: I think the question I asked fits in with that same point, if you could incorporate it into your answer.

Hon. Mr. Rhodes: Mr. Wronski, do you want to comment on this first, please?

Mr. Wronski: Yes; that was quite a series of statements, Mr. Hall, and I'll try to answer them all. First of all, before I get into any specific ones, I would like to remind the committee—I'm quite sure they are aware of it—that the total planning process, or at least 80 per cent of it in the province, is a programme directed to a response from the municipal planning process. In other words, while we don't initiate it, except, as I have said before, on the community planning advisory services, we would try to promote, but we cannot initiate the programme. In other words, we cannot go to a municipality and say: "Thou shalt prepare an official plan." It is up to them to prepare the official plan on which we then would have some input during preparation either through liaison committees, the normal contact or the other branch to which I was referring.

Mr. Hall: Just a moment, Mr. Wronski; to keep the record straight, I have seen instances where it has been clearly stated that unless

you do prepare an official plan, certain things won't happen. It's very close to the same thing.

**Mr. Wronski:** There are certain things in the legislation—certain grants, certain procedures—which are conditional on having an official plan. For instance, urban renewal is one of them. The neighbourhood improvement programme depends on a municipality having an official plan. Admittedly those are the facts, therefore, we have—

**Mr. Hall:** Two years ago in the Niagara region, unless we included an E zone, meaning an Escarpment zone, we were not going to get a hearing on our overall official plan.

**Mr. Wronski:** Of course, that is one of the provincial policies to which I was referring, the Niagara Escarpment policy.

Therefore there is that one issue, that we are responsive to municipal process and our function basically, apart from the advice given, is that of regulation and control. Therefore, obviously we are not necessarily very loved from that point of view.

We do advise them on the official plan. We will be advising them even more. First of all, all the regional municipalities, which as you know are asked by legislation to prepare official plans for a given time, are working with us very closely through liaison committees on which all the major ministries of this government are represented with us. For smaller municipalities we respond through our own field offices to any request and try as much as possible to assist the municipalities in preparation of the programme. That advice, I'm quite sure would also be directed to the question of the type of housing and the type of density which is most suited to the local preference.

In the new agricultural policy which refers to the subdivision of land in rural areas, the soil condition and the type of soil are very basic requirements. In other words, we do try to protect the best lands; the policy of subdivision for land of less important soil types is much more lenient.

As far as the expansion of existing communities versus new towns is concerned, this ministry is involved in planning for both kinds of growth. In certain instances, obviously, there is not enough social capital invested in small communities; large additions would have destroyed the character completely, therefore a really fast growth would have to be accompanied by a completely new urban structure.

I think a very good example of it would be Haldimand-Norfolk, which has the very large industrial complex of Nanticoke. The population of the region will increase maybe three or four times within a very short period of time. The biggest urban area in that region is the town of Simcoe, which at the moment has 13,000 people. Obviously an additional 70,000 to 80,000 people would make it a new town, not an expanded town.

But in the planning to accommodate the total growth of that region, and anticipating industrial expansion, we do foresee Simcoe expanding to maybe double its size. We hope it and other towns, like Port Dover, Cayuga and Jarvis, will accept the initial thrust of growth and expand to a size which is still suitable to retain their character and utilize fully the services which are in the town. So therefore we are using both of the tools which are allowed us—new towns and the expansion of existing communities.

**Mr. Hall:** Does this include the Cayuga and Townsend sites?

**Mr. Wronski:** I was referring specifically to the Townsend site.

**Mr. Hall:** I am not certain that I am correct, so I will have to put the question to you and let you tell me: We've been given to understand there have been studies undertaken by firms of consultants which would tend to suggest that neither the Cayuga nor the Townsend sites should be developed. I would like your comment on this point.

Secondly, we are all familiar now with the reports on the Special Programme Review. One of its many pages on which reference was made to provincial land holdings suggests a major change in policy. In that the Treasurer (Mr. McKeough), who is the chief planner as I understand it, is also the chairman of the Special Programme Review group. Where does this leave us in terms of the future for all this stuff?

**Mr. Wronski:** I will certainly try to answer the first question. I don't know how well I can answer the second.

As far as Townsend and Cayuga are concerned, so I am not aware of any consultants' study which would have stated that either of the areas are viable as a new community. Specifically in the context of Haldimand-Norfolk as a growth point in that part of Ontario, there is a task force set up to study regional strategy for the total of the region in order to try to accommodate the growth which is anticipated within the next 20 years. The consultants who were employed by that



task force are studying all kinds of alternatives which would range from no new town, to for instance an expansion, as I mentioned, of Simcoe to about 80,000 people. The whole gamut of various types of regional structure will be examined. We are quite confident that obviously, from the simple human point of view, destruction of a county town such as Simcoe would not be acceptable, first of all, to the people. At least it would not be something we would recommend, because in fact it would mean building another new town; whether it's Townsend or Simcoe it still would be literally a new town because of the dimensions. It would be a new town, yet if you tack it onto Simcoe as it exists it would have destroyed the existing town completely.

So, as I say, I am not aware of any studies which have proven, without any equivocation, that neither of the locations is correct.

**Mr. Hall:** I didn't phrase it quite that way. I said the consultants recommended that neither site be developed. Is this the case?

**Mr. Wronski:** No.

**Mr. Hall:** It is not to say that neither site is completely out of the ball game, but maybe it's a question of this point in time.

**Mr. Wronski:** No, I am not aware of any studies which would—

**Hon. Mr. Rhodes:** It seems to me the recommendation in the Special Programme Review is based strictly on economics: Don't spend the money. I think the money is going to have to be spent somewhere. In the case of Haldimand-Norfolk there is a hard reality to the fact that the industrial expansion is going to take place. So the alternatives, as Mr. Wronski said, are do you impose six times the population on the town of Simcoe or do you go ahead and develop the sort of infrastructure that is going to be required to serve that industrial complex? Those are facts that have to be faced up to.

**Mr. Sargent:** Mr. Minister, can I ask the chief planner—

**Mr. Chairman:** I am sorry, Mr. Sargent—

**Mr. Sargent:** This is right on the point. When that announcement was made in the Legislature had he had input from you at that point? He woke up telling you to build a new city in Haldimand-Norfolk one morning?

**Mr. Wronski:** The announcement referring to what? Townsend? Cayuga? Which of the sites?

**Mr. Sargent:** The whole Haldimand-Norfolk complex.

**Mr. Wronski:** No. I think it was a consideration by the regional planners, and also based on the studies which were done, I think as early as 1970 in response to the industrial development in Nanticoke. If you remember there was a study which was, I think, tabled in the House—

**Mr. Sargent:** But they hadn't talked to you at all?

**Mr. Wronski:** Well I wasn't here to start with, but I don't think our people at that time—Yes, I think they were part of the overall task force dealing with the thrust toward development, yes.

**Mr. Sargent:** Want to bet?

**Mr. Hall:** On this subject of new towns versus an existing community, how far do you take your thinking in terms of all the traditional things that exist, such as churches which have been funded over many a year in Simcoe and are now in place? In many small communities there are so many things that have grown up; maybe they are not the most modern but they are eminently satisfactory. There are any number of volunteer agencies—fire departments being one of them—and committees which serve in many different ways for little or no pay by reason of their knowledge of the area.

When you develop this concept of new towns, granted there is going to be a disruption of an existing town if you went that alternative. But going to the other alternative, how far do you take your thinking as you talk of infrastructure and you talk of land acquisition? What about all these human circumstances and other things? I mean, where are these churches going to come from, instantly? Are these people who move to these new towns, for example, going to have to have grand fund raising programmes to put up a new church; or is this part of the government funding in that they have opted to head this way, for a new town?

**Mr. Wronski:** Mr. Chairman, I don't think we are at such a detailed stage of planning and development of a policy of a new town as to fully answer that question. What I can do is to let us speculate that because the land is publicly owned, obviously the land will be made available for all the infrastructure requirements of the community. The government, being the sole developer so to say, will certainly have to provide for this kind of thing, which is expected even of a private



developer nowadays. I am quite sure Mr. Hall is fully aware that even in a large subdivision plan he is asked by the municipality to set aside school sites, to set aside church sites.

[11:00]

**Mr. Hall:** I've never had a large one, Mr. Wronski.

**Mr. Wronski:** But you are familiar with them naturally.

**Mr. Hall:** Yes. You are talking of the site. In the final analysis you're after logic. I suggest to you that your logic has to go all the way down the line before it will be considered an acceptable alternative to the proposal of expanding an existing town.

**Hon. Mr. Rhodes:** Could I just make a brief comment on that? Mr. Sweeney asked earlier about the philosophy behind expanding an existing community as opposed to establishing a new one; the economic reasons or the philosophical reasons.

I think they vary as you go from one part of the province to another. For example, the resource areas, northwestern and northeastern Ontario particularly, are good examples of what I think can happen in a community.

I could well use Elliot Lake as an example, where a completely new town is built to accommodate the people coming in and provide the infrastructure required to handle this sudden big uranium discovery. Millions of dollars are invested, it is the only industry, and all of a sudden the market goes. We've talked about the single-resource industry town before—down goes the market, and millions of dollars are lost. Central Mortgage and Housing put millions of dollars into housing units in that community and all of a sudden they were all boarded up with nobody in them. I saw that town when it was booming, and I was back there when it was almost bust. It was just unbelievable what had happened.

But a great deal of money had been invested. Originally the plan was to expand into another community and have a commuting process for the people from the existing community to go to the mines to work. That didn't work out, for whatever reasons. Big "P", Politics, and small "p", politics, caused a lot of the problems.

Ignace is a town that went broke recently and is now being handled by the government. One of its problems was that a mine was developed in the area; Ignace suddenly became a bedroom community for people who

worked in the mine, its financial capability to provide more services just wasn't there and it overspent.

It was not mismanagement on the part of the community. They were trying to do the best they could, but they didn't have the tax base. So they got into financial difficulty.

As I said, I think it varies from one part of the province to the other. In the north-west and northeast it has been the decision of the government to advise the use of the existing infrastructure—the churches that are there, the schools that are there, the transportation facilities that are there, the commercial area that's there—and not have a community develop close to a resource that may very well just go flat in X number of years and never make a comeback; whereas down in this part of the province expansion of an existing community at a reasonable rate, in many cases is looked on with some degree of favour if the participating municipalities are interested. There is one development not too far from here which needs servicing, and it appears that expanding the services of the municipality next door could probably stimulate that development. But in that particular community it is feared that if services are extended from the neighbouring municipality it will be gobbled up and will become part of the larger municipality, and it doesn't want that.

There is really no total philosophy involved, I think it varies.

**Mr. Sweeney:** Mr. Chairman, could I ask—

**Mr. Chairman:** No, I am sorry, I have about seven on the list, including your name. Mr. Hall.

**Mr. Hall:** As I told you before, I am not here to provoke or disturb. I am here to get on the record what the philosophy is. If we just read your book we get generalities and don't get an expanded picture of your thinking. I am still interested to know whether the thinking that is embodied in the Special Programme Review, chaired by the Treasurer—

**Hon. Mr. Rhodes:** No, the chairman was Maxwell Henderson.

**Mr. Hall:** I'm sorry; I understood Mr. McKeough was the chairman.

**Hon. Mr. Rhodes:** He was on the committee. I think the chairman was Maxwell Henderson.

**Mr. Cassidy:** We think the Treasurer inspired it, even if he didn't write the report.

**Mr. Makarchuk:** It is known as ghost writing.

**Mr. Cassidy:** That's right.

**Hon. Mr. Rhodes:** Of course the member for Ottawa Centre is a very suspicious individual, that's all. I'm of the opinion that a great deal of what you say is inspired, and perhaps ghost written, by your leader—I don't know.

**Mr. Cassidy:** Really?

**Hon. Mr. Rhodes:** Yes.

**Mr. Cassidy:** It's rather good the way it comes out.

**Hon. Mr. Rhodes:** It comes out and the delivery is excellent.

**Mr. Cassidy:** Right.

**Mr. Sargent:** We'll buy two dozen of that.

**Hon. Mr. Rhodes:** My apologies to Mr. Hall. This shows Mr. McKeough as the chairman.

**Mr. Hall:** Yes; for the record, it says:

Members of the Special Programme Review: Chairman, W. Darcy McKeough, Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs; cabinet member, Mr. Winkler; public servants and private sector representatives are listed.

**Mr. Sargent:** A great body of men.

**Hon. Mr. Rhodes:** Let the record show that Mr. Sargent agrees they are a very great, capable body of men.

**Mr. Sargent:** With tongue-in-cheek.

**Mr. Cassidy:** Would you also agree that Maxwell Henderson is slightly to the left of Darcy McKeough?

**Hon. Mr. Rhodes:** Even if he was, he would be a long way to the right of you, I'll tell you.

**Mr. Hall:** We're getting to this question which I think someone is going to have to face; and that is: Is this fiscal constraint going to have an effect on what your present 1975-1976, apparent programming is, as set out in this budget? That's a question to which I would like to have an answer before I ask a couple of other tidy-ups.

**Hon. Mr. Rhodes:** I don't think I can tell you that at this stage. Certainly if there are any great constraints placed upon any

ministry one would have to readjust programmes and spending. If your source of funding is depleted, then you have to adjust accordingly; obviously it would have some effect on programming. I can't tell you that now, because we have nothing finalized. Not this budget, I'm sorry; this one is in place. I'm referring now to any future budget. It would be for fiscal 1975-1976.

**Mr. Hall:** Okay. You talk about this budget being in place. Through item 1 and into item 2, of course, we see there has been a shift of responsibility from other ministries to your ministry. Is this shift of responsibility now complete? Is the Ministry of Housing now structured the way you want it structured?

I have to look at the increases in the dollar amounts that have taken place. In 1975-1976 over 1974-1975, item 802-2 shows roughly a 22 per cent increase. Through the detailed financial figures, it shows on my page 40—we may get into some confusion here—salary and employee benefit cost increases of \$166,800. This, apparently, does not indicate new staff, because you mention staff complement increases below that. What percentage increase are we talking about here?

**Hon. Mr. Rhodes:** Can I just respond to one other portion of your question about the structure of the ministry? I can't say the ministry is structured exactly the way it will be in its final form. One level of planning is still with Treasury. Some of us feel perhaps, it should be in this ministry in order to have all the planning—

**Mr. Hall:** This is this broad planning I raised as my first point; how the two areas relate one to another?

**Hon. Mr. Rhodes:** Right.

**Mr. Hall:** I think there are some \$7 million in the TEIGA budget for overall planning.

**Hon. Mr. Rhodes:** Yes, and some feel that perhaps that should be under one ministry, rather than having the two different agencies working on it. There are agencies of the ministry that may be changed; but there is nothing definite, nothing to look at very seriously. But aside from perhaps those two areas, our ministry is starting to take firmer shape as to how it is going to operate and what its various divisions will be.

**Mr. Crosbie:** Mr. Chairman, the figure shown is for salary and employee benefit cost increases; these include all the increases that are associated with merit pay increases,

reclassification pay increases, economic adjustments in the overall pay scale and any increase in employee benefits. It is roughly 10 per cent overall.

**Mr. Hall:** Are we still looking at vote 802, item 2, page G60 of the estimates book?

**Mr. Crosbie:** Yes, G60.

**Mr. Hall:** Well, a 10 per cent increase would suggest that your budget was \$7 million before then.

**Mr. Crosbie:** Yes. That is correct. There are about \$7 million overall. These salaries are distributed for the whole of the vote, for the community planning programme.

**Mr. Hall:** The whole of the \$34,609,000?

**Mr. Crosbie:** Yes.

**Mr. Hall:** So the overall increase, including merit pay and increased benefits, is somewhere in the order of 10 per cent?

**Mr. Crosbie:** Yes.

**Mr. Hall:** Thank you. On the next page, as an item, you show other administrative cost increases of \$1,553,900. That seems rather a sparse description of \$1.5 million. I am wondering what that includes.

**Mr. Crosbie:** We could provide you with a breakdown, but basically these are the general increases in costs of materials, supplies, travelling expenses, moving of staff, transportation and communication costs.

**Mr. Hall:** All very valid and no fat at all there, eh?

**Mr. Crosbie:** We hope not.

**Hon. Mr. Rhodes:** I can tell you those are some of the areas where there has been a real squeeze for the last couple of years in an effort to reduce those.

**Mr. S. Campbell:** I might just make a point on that in terms of the supplementary actions that were introduced on July 7. If you will look to the following page of your document, Mr. Hall, more than \$800,000 has been reduced; and, in fact, that is mainly in the line you just spoke about, the \$1.5 million.

**Mr. Hall:** Yes, on your notes on page G60 you show where the \$813,600 was taken out of it. But the larger sum of course was taken out of the Haldimand-Norfolk project and the North Pickering project.

**Mr. S. Campbell:** Mainly consulting costs.

**Mr. Hall:** I would like to ask a general question. There has been a discussion of land that has been purchased by the government and subsequently put on the market for special programme use, at cost plus carrying charges as it is expressed, and possibly weed spray and whatever, eh? Do you treat cost in the normal sense that the businessman treats cost, overhead costs being the wages and salaries of the staff that are working on these projects? Do you put that into what you consider costs or do you not?

**Mr. Crosbie:** Do you have a specific project in mind?

**Mr. Hall:** Well, take any specific project where you end up saying this cost you so much or this is worth so much on your books; does this include the addition, time by time, of the cost of all the staff required to create it? Any businessman would have to do this and I am wondering if we are structuring our costs in the same manner?

[11:15]

**Mr. Crosbie:** Yes, on the OHC projects, for example, the staff costs are in there.

**Mr. Hall:** So you only do not put costs into a particular project on which, say, the end result of is something which is going to end up on the market? You only do not put costs in there when there is no place to put it, such as in services that you render to municipalities and overview of official plans and in new thinking? Is this the correct way to state it?

**Mr. Crosbie:** They wouldn't be charged against the plan, no.

**Mr. Eaton:** I wanted to come back to this question of severances and what the policy of the ministry is in regard to the local severance committees. Is every severance that is granted by a local severance committee reviewed by your ministry?

**Mr. Farrow:** Mr. Chairman, not every one of these submissions is reviewed by our staff. However, in areas where we have seen problems in the past, where a lot of applications have gone through that have perhaps been a problem to one of the ministries, perhaps Agriculture and Food or Transportation and Communications, we look at more of these but we do not look at all 30,000 applications. They all come in to the ministry but they are not reviewed in any detail whatsoever.

**Mr. Eaton:** How do you decide which ones you are going to pick and choose?



**Hon. Mr. Rhodes:** I thought you just said that.

**Mr. Farrow:** As I mentioned, Mr. Eaton, it is on the basis of there being some municipalities that we know are in some cases ignoring the comments made by their own planning board or the Ministry of Transportation and Communications or some other provincial agency; we will look more carefully at those. The ultimate action, if we find that decisions are being made which are contrary to their own official plan or to major provincial planning programmes, is that we will appeal a decision of that committee to the Ontario Municipal Board.

**Mr. Eaton:** This is the automatic step if you see something you object to, like if there are five severances granted, which would automatically make it a subdivision I guess. Do you, just at that point, take your objection to the OMB rather than contacting the municipality and discussing why they are doing this?

**Mr. Farrow:** Out of 20,000 to 30,000 applications last year we probably dealt with less than 100 that went to the Ontario Municipal Board. Any one of those that did not go to the OMB, unless it was a flagrant disregard of a provincial policy or they were trying to put on a plan of subdivision by means of consent, we would have contacted that municipality or that land division committee earlier on other applications. First of all we talk and then we challenge them.

**Mr. Eaton:** You say unless they were putting on a plan of subdivision by consent of severances?

**Mr. Farrow:** Generally speaking.

**Mr. Eaton:** Then you wouldn't talk to them before you opposed it to the OMB?

**Mr. Farrow:** No sir, because we are in a very tight time constraint. If an application comes through that creates something like 15 or 20 lots with a street or two streets, it should be a plan of subdivision.

**Mr. Eaton:** Let's talk about eight or nine.

**Mr. Farrow:** By the time it gets through the mails to us and our staff evaluates it the time is running out, and so on such a thing as that an appeal is made; but in all cases a committee has an opportunity to discuss this with us afterwards, and out of 75 to 100 appeals that we put through there are always a number which are held back from the board because of further

information given to us by either the municipality or the land division committee.

**Hon. Mr. Rhodes:** I just want to add one comment to that, Bob, and from some experience, that some of the severance committees, because of their local nature, will go ahead and approve an application and they will tack a condition on it. They will first of all contact, say the Ministry of Transportation and Communications to determine whether or not an entrance would be permitted; MTC's response may well be that they ask for approval on that severance. They may go back and say: "We have no objection providing the proper entrance is provided." The land severance committee will then go back to its particular applicant and say: "It's approved on the condition you can get an entrance."

If I were the applicant I wouldn't know what to do, because one letter says: "We would not oppose your getting an entrance if you get the severance"; and the other letter he gets says: "We will not oppose; we will approve this severance if you get an entrance."

So the guy is sitting there looking and saying: "Well, what in hell am I supposed to do? Neither one of these parties is going to move until the other one does." He is caught in a total impasse.

The other one, of course, is that you get a whole series of these going down the road, one after the other, and the Ministry of Transportation and Communications, in many cases, will say: "Hold on a minute now; we can't give you an entrance here, it's on a curve where it could be hazardous"; or: "There are too many entrances too close together." Or quite frankly you get caught in real strip development, right down the road somewhere. Some of these are challenged, no question, not only by this ministry but by others as well. I have seen copies of those letters. They are—

**Mr. Eaton:** Frustrating, to say the least.

**Hon. Mr. Rhodes:** Well, for the guy who gets two of those letters, he really has to be concerned about what he is going to do now.

**Mr. Hall:** Especially if it was an approved subdivision entrance spot, subject to a severance; if the wording is different.

**Hon. Mr. Rhodes:** They try to blame each other, I think, is what happens.

**Mr. Eaton:** What is your policy within the ministry on referring to other ministries for

comments on official plans and on severances? Is there a period of time they have to answer; how long does this drag out?

**Hon. Mr. Rhodes:** We have this policy, and we are going to reaffirm it. Back in John White's day we had the 60-day limitation on other agencies to comment, plus 30 upon the request of another minister over some specific problem they identified; and another 30 days to look at it. That has been very flexible, to be quite frank.

**Mr. Eaton:** Perhaps too flexible.

**Hon. Mr. Rhodes:** Yes, perhaps too flexible. However, I am going to repeat what I said over the last three or four days on this subject: I am prepared to sign these official plans and others, approving them, at the end of the 60 days, with the proviso in my own mind, and I hope in the minds of others, that I would not want to hear, for example, from the Ministry of Agriculture and Food two weeks later that I had done a really terrible thing, considering they had not bothered to respond within the 60 days.

**An hon. member:** We wouldn't say that, John.

**Hon. Mr. Rhodes:** It can happen. I will have approved a subdivision perhaps, or an official plan, zoning it residential, and the Ministry of Agriculture and Food discovered two weeks or a month after I had signed it that this was prime agricultural land and should not be used for building. We are going to have to accept there will be some problems there.

**Mr. Eaton:** And those things might happen. Okay, thank you.

**Mr. Chairman:** Mr. Chesley, I mean Mr. Sargent.

**Mr. Sargent:** Mr. Minister, a lot of us in the outlying parts of Ontario, and I know the minister does, share the frustration of the man who owns title to his land and cannot get a severance. I know he has hundreds of letters a year, I know I get hundreds of letters about this. It gets mixed up in the ping-pong game of back and forth between different ministries.

There should be an awareness on the part of government and the civil service of the fact that when a man has title to a piece of land he should be able to deal with that title and that land as he sees fit, regardless of planners and government policy. In other words, if you see fit I think one of your

officials mentioned about the quality of the soil—then that would have a factor on freezing the land or not granting a severance. Regardless of that, I think it's an inherent right that if you own title to the land you should be able to do what you like with that land. If the authorities, I say that in quotes, say that land should be frozen or not developed or not severed, then you should put your money where your mouth is and buy that land from the man who owns this title. I know that at different levels we have people saying planning is important. But so is a man's title to his land.

In the Escarpment project, in the last hearings we had in Owen Sound, the chairman, rightfully so, said he was in favour of planning the Escarpment area. The land which was frozen 10 years ago is now five times the value. That is all right, but what about the man who has a piece of land; he has a chance to sell it but it's frozen or he can't sever it. He still has to pay taxes on it and he can't wait five or 10 years for that land to create the value. Do you get what I'm trying to say here?

What I'm trying to say is that no one should tell a man what he must do with his land. Regardless of what it is; if he wants a severance he should be able to sever that land and to turn that land, on which he's paid tax for generations, into cash if he wants to.

Either I'm awfully wrong or somebody is wrong, but the title to land is important to a man who owns it. They've owned it for generations but they can't sell it; they can't move it yet they must pay taxes on it.

I would like to have the minister's response on this. How are we going to get around this? The land severance committees are carrying out the policies sent down, the overall policy comes from here. How do we tell these people—"You own your land; you must pay tax on it; but you can't sell it."

**Hon. Mr. Rhodes:** First of all, I don't think you really and truly subscribe to the philosophy that everyone should be able to do with their land what they want to do. I really don't think you would suggest that.

**Mr. Sargent:** You can always upgrade it.

**Hon. Mr. Rhodes:** I don't think you could subscribe to that, because if that was the case we probably wouldn't be into such things as rent review and rent control. We'd say, "You own the land, you do what you want with it. It's your land and your build-ings and you do what you like with it." I

believe a person should have all the freedom in the world in this sort of thing but there are times when what I might do, say with land I might own, would very adversely affect you and many other people. I think there has to be somebody, somewhere who says, "No, you can't do that for the benefit of the other people."

**Mr. Sargent:** May I ask you this then? The person who says he can't do it should buy that land from him.

**Hon. Mr. Rhodes:** I can't fault that, but again you get into the question, as in the case of agricultural land—and it was interesting to read the brief presented by the federation of agriculture—the one Gord Hill heads up; what's the name of that?

**Mr. Eaton:** The Ontario Federation.

**Hon. Mr. Rhodes:** Yes, the Ontario Federation of Agriculture. In one part of its brief it was saying that land should be maintained and retained for agricultural use and there was a suggestion it should stay like that and shouldn't be allowed to do anything else. You go a little deeper into the brief and it says, "But a man should also be able to sell that land for whatever development purposes, in order that he may have the value back out of his land."

**Mr. Sargent:** Exactly.

**Hon. Mr. Rhodes:** That's two sides of a street. Then you get into the question of what value is it? Someone says it's of residential value. Are you talking residential value as single-family residential, duplex, highrise; or what value do you place on the land? The difficulty in what you're saying, from my point of view—I may be misinterpreting what you say—is that if you own land you're different from the fellow who buys stocks and bonds. You're saying that speculation in land should always be on the upward trend and never down. If somebody buys some land in anticipation of what's going to happen down the pike there's no guarantee that it's all going to—

**Mr. Sargent:** I like what you're saying, but the fellow who has his wealth in the form of stocks and bonds pays nothing toward the cost of education or anything, because he has his wealth in that form. But a man who has his wealth in the form of land is stuck for the whole shot of taxation.

**Hon. Mr. Rhodes:** Yes; but the other investor pays for the cost of operating what-

ever company he's got his shares in, his stocks and bonds in. It all comes out of it.

**Mr. Sargent:** He's untouchable.

**Hon. Mr. Rhodes:** To come back again—what I'm saying is, surely if someone buys a piece of land, invests money in that piece of land, it's a risk investment in the sense that he's anticipating something will happen, and hopefully will happen to his benefit, which will evaluate that land; but if it doesn't happen—

**Mr. Sargent:** I'm not talking about speculation, I'm talking about people who own their land for generations.

**Hon. Mr. Rhodes:** Fine, but there is still the possibility that you will not realize the full value of that land. It's a public expectation—or the individual's expectation rather—which doesn't reach a total fulfilment. If somebody buys a piece of land and hears that down the pike there's going to be a big development just down the road, he will say, "This is terrific. My land is going to triple in value." If something happens and the development doesn't go, down goes the price. That's a hazard you take. It's the same as anything else.

**Mr. Sargent:** I won't flog this, but at the time he has a chance to sell it, you say "No", or somebody says "No." The person who says "No," should say, "Okay—"

**Hon. Mr. Rhodes:** Not the entire parcel. You're referring to a portion of it then?

[11:30]

**Mr. Sargent:** I don't know what I'm trying to say. I'm trying to say that the guy should have the right to deal with his land as a thing he owns. He should be able to make a deal with it, as long as it doesn't hurt the public interest.

**Hon. Mr. Rhodes:** He can sell the whole parcel. Even if he owns 20 acres of land in one block he can sell the whole 20 acres. I think where we get into the difficulty to which you're referring is if he wants to sever off half of it or a portion of it.

**Mr. Sargent:** There's a great inconsistency here. In many areas of the province there are no severances allowed and in some there may be dozens of them. Mr. Kerrio knows this story; it's completely inconsistent the way land division committees deal with it. It's a hell of a problem for the rights of people. That's all I want to say.



**Hon. Mr. Rhodes:** It reflects, I think, just what the local attitude is about that particular land. If you go back to the old local autonomy sort of thing, the local land division committee supposedly reflected attitudes and feelings of the people in the area and made the decisions based on that.

**Mr. Sargent:** Somewhere along the line there should be a land bank development fund that could buy out these properties. If you want to maintain a free enterprise system, which is going down the pipe awfully goddam fast—

**Mr. Cassidy:** You've got to go into some welfare.

**Mr. Sargent:** Well, away we go.

**Mr. Makarchuk:** Socialism for the rich.

**Mr. Sargent:** I don't want to convince you, because I think you're on our side. It's the civil service which runs this country that I am concerned about. They don't give a damn, really, and I say this kindly. Unless it goes by the book, to hell with the people. That's what's wrong.

**Mr. Kerrio:** My comments, Mr. Chairman, have to do with minor variance and land division committee which in regional Niagara have now been divided. I might say that they created a condition that we were treating lightly here a minute ago, insofar as applications come in where a severance and a minor variance on the same piece of property would have had application to the same committee. Now the regional government has seen fit to divide them and make the land division committee one committee and the minor variance group another committee.

I might say very strongly that in Niagara we were very happy with the two committees as one. The people got very good service. Now the very thing that you're suggesting here does happen on many occasions. One application goes into the severance committee and one application goes into the minor variance committee. The people dealing with minor variance say they can't allow the minor variance until the severance has been dealt with, because in fact they do not have an entity as a piece of property to deal with. We have created something which puts the people to a great exercise in futility in many cases, where one says they'll wait for the other, and in fact there's another great wait in this great circle.

There is another thing I would comment on. The land division and minor variance

committee in that area dealt with all applications in a public forum. The people making the applications sat there and the people sitting in judgement sat there. All the discussions, pro and con, were heard right down to the handing down of a decision. Now the land severance committee is handing decisions down in-camera and there is absolutely no need for it. I can't see any real need for it; except that the people leave and wonder what they failed to do in their submission that would have had that land division committee think a little differently of their application.

I would like your comments on maybe just that portion. I have very little more to offer.

**Hon. Mr. Rhodes:** First of all, I agree with you. I think that decisions made by a particular body like that should be made in the presence of the applicants and in the presence of any others who may be there, either supporting or opposing those applications.

**Mr. Sargent:** The minutes of the meeting should be made available to the public.

**Hon. Mr. Rhodes:** If it is a public meeting, I would suggest there's no reason why they shouldn't be.

**Mr. Sargent:** Or a public body.

**Hon. Mr. Rhodes:** If it's a public meeting or a public body, I think they are available.

**Mr. Sargent:** Can I quote you on that?

**Hon. Mr. Rhodes:** I think they are available now.

**Mr. Sargent:** The Niagara Escarpment Commission's are secret.

**Hon. Mr. Rhodes:** Oh no, the Niagara Escarpment Commission is different. We're talking about land division and committees of adjustment. I believe those decisions should be made in the presence of the applicant so if there is a point that needs more clarification the individual is there to answer questions.

**Mr. Kerrio:** That's right. It seems that this prerogative was left to the individual committees. At a meeting of the land division committees in Ottawa some eight or nine months ago, I brought this to light in one of the forums and I was very disturbed that some sort of direction hadn't been set down by the ministry so that this would happen. I leave that with you to consider.

One other area I would like to direct to the ministry has to do with the community planning programme; the last item on the page, innovative technical advice and information made available to the Ministry of Housing, the provincial government and to municipalities on community planning techniques, standards and policies. I hope that indicates we will get right down to the service areas in that regard.

Providing serviced land to build homes on is the major holdup today in housing. There has been a good deal of research into new approaches in the servicing industry which as yet hasn't reached down to the municipalities and the people who design servicing. Were this particular publication to add something about these new approaches, there could be great savings in the surface handling of storm water for example. I have hopes it would cut considerably into the cost of servicing land.

In many areas there is undue consideration given to extremely long-term services. I know that in our Niagara region they design with ductile iron pipe, cement lined. That's getting beyond the Cadillac and into the Rolls-Royce situation. By getting a new kind of thinking, new approaches, we can get the land in service at much better prices.

I would suggest to you that the major problem in getting serviced land on the market, has nothing to do with the private sector not being able to supply it. I take exception to Mike's alternative that we have to go the social route to provide homes.

**Mr. Cassidy:** You want the anti-social route, right?

**Mr. Kerrio:** Yes Mike, if it had to be, I would.

**Mr. Makarchuk:** In other words, the existing route, right?

**Mr. Kerrio:** I'm not going to argue with you chaps, I'm going to make my presentation.

An ad in our local newspaper shows that a private builder, together with some other builders, got land together—at a reasonable price I might say—and has on the market, through a real estate company, semi-detached homes at \$32,500 and single-family three-bedroom bungalows with garage at \$42,400. That may not have too much to do with the particular item we're on, but I would just like you to witness the fact that this kind of service is still being provided by the private enterprise part of our society. I say with some help from this ministry, and a practical ap-

proach to servicing, I think the independent person in this province has a great deal to offer the people in providing housing.

**Hon. Mr. Rhodes:** In connection with servicing—new technologies and new ideas—earlier in the discussions Mr. Hall had, and I think he still has it with him, a copy of the municipal servicing standards. That particular item does have some new technology and new ideas in it. A committee has been set up by the ministry, involving municipal engineers. The particular document Mr. Hall referred to is one we have discussed with them in an effort to get them to adopt that sort of a standard and be aware of the new things which are coming on and to use these new technologies in their respective communities.

On the Rolls-Royce type of servicing—I don't know whether you have served on a municipal council; I think Mr. Hall has. If you haven't I am sorry; I thought you said you had.

**Mr. Hall:** Just on the other side of the table.

**Hon. Mr. Rhodes:** Anyone who has knows the very interesting sort of approach the committee of municipal engineers will take. Their attitude is if you can get this into the ground, get this sort of servicing in or on the ground, it will last this much longer and as a result, if you spread your total costs, although it is more expensive now over the long-term it is less expensive. In many cases councils will accept that advice and go ahead and require that as a standard.

That's what we talked about earlier in these discussions. We need perhaps to lower—I hate to use that word—I suppose we need not ask for the highest of standards in servicing.

**Mr. Kerrio:** That's a good valid point. I would just make one point along those lines. If it is left to their own resources in engineering and then getting down to the maintenance people, because our services have to be prepaid in our area, naturally the communities will set the highest possible standards because they look to the future, to the maintenance. They could well put in services you hardly ever have to look at but the costs are so exorbitant that they are reflected in the cost of the lots. It's really putting us out of the picture if we allow that to continue. I like that phrase you use; I don't like to suggest it's going to be inferior services, but more in line with what we can afford I might say.



**Hon. Mr. Rhodes:** Sure, affordable services.

**Mr. Kerrio:** Yes.

**Hon. Mr. Rhodes:** Again, you are talking about the change of technology. In many municipalities—mine, for instance, was one example—a number of years back, a fair number of years back, the usual practice was to put in combined storm and sanitary sewers, run everything down to the nearest watercourse and dump it. As a result of the change in thinking—environmental concerns, pollution concerns—municipalities are spending great sums of money now separating those two in order to keep excessive flow out of their sewage treatment plants. Great costs are being experienced and I think they should be looking at any new technology which comes along to reduce those.

**Mr. Kerrio:** I would make one comment along those lines. I have hardly ever heard it considered but we have levied a surtax on our water supply to homes in that area because of the great need to build treatment plants.

We are now treating the water coming into the city and we are using treated water in our sanitary system, if you will. We are then building sewage treatment plants because we have made no advances at all in the sanitary system within a household which would have you treat thousands of gallons of water to remove very minute amounts of waste. Witness the fact that in a summer cottage they will put in a toilet which will use one quart of water. But in every home in this nation, with maybe many bathrooms throughout, the old style is still there and there are millions and millions of gallons of water subject to treatment.

**Hon. Mr. Rhodes:** Both ways.

**Mr. Kerrio:** Yes. I think that in that area of technology there has been no advancement and very little discussion that I have ever heard; but the costs are astronomical.

**Hon. Mr. Rhodes:** I don't think the community planning branch of the ministry gets into or has details in this area. Most of their technical advice is dealing with innovations in planning; community planning, this sort of thing. In the housing aspect of it, we have been dealing with municipal engineers in the hope that new technology will come along and speed it up and make it more economical to service. We are interested in seeing them use it.

[11:45]

**Mr. Williams:** Mr. Chairman, I am concerned with an item that is relatively small in the overall perspective as far as dollars and cents are concerned. But I think there is an overriding concern here that goes beyond the cost factor and I haven't seen a satisfactory explanation of it in the material.

I'm looking at page 40 and the programme that has come under some criticism of late throughout the ministry, that is the Experience '75 summer employment programme.

Before I comment on it further, and because I can't find anything in depth on the subject here as to what this ministry's Experience '75 was, I'm wondering if the appropriate staff member, or perhaps the deputy, could give us some background as to the number of students involved and the basic direction in which the programme was directed this past summer. I'm not speaking, of course, of the normal employment of students as replacements for permanent staff on summer holiday periods, but rather this programme that extends over and above the normal temporary summer help situation.

**Mr. Crosbie:** In the planning programme our summer employment programme includes students who are hired to assist in processing of plans during the vacation period for other staff. This obviously is not the technical side, it is clerical and administrative procedures. But our student programme extends to the neighbourhood improvement programme and our OHRP programme in the local communities.

**Mr. Williams:** Sorry, the neighbourhood programme, the improvement programme—and what was the other one?

**Mr. Crosbie:** The Ontario Home Renewal Programme.

**Mr. Williams:** In what areas were they directly involved, primarily in those programmes? What were they doing?

**Hon. Mr. Rhodes:** In the case of the Ontario Home Renewal Plan, I can give you some from personal experience. Many municipalities are finding it very difficult to get adequate staff in their municipalities to go out and make the evaluations and the inspections where people are applying for these rehabilitation and renewal loans. As a result many municipalities, and some of those figures we talked about here last week, are not expending the moneys that are available to them. They've got the money in many cases, but they aren't able to go out and process each of these applications.



Many of the summer students are used in this area so that we can speed this whole thing up and get this money working where we want it to go, and that is for the rehabilitation and repair of homes.

**Mr. Williams:** Could we have a breakdown, Mr. Minister, of the number of students who were hired specifically in the Experience '75 programme, and a breakdown as to what areas of involvement they were directed to?

**Hon. Mr. Rhodes:** We have a complete report on our involvement in Experience '75. We don't have it here, but we can make it available to you. It is a complete breakdown of the number of students and the work they did.

**Mr. Williams:** What percentage of their programme was directed to administrative procedures, such as you've spoken of? What percentage was directed to undertaking of studies that would be appropriate and applicable to this portion of the ministry's programme?

**Mr. Crosbie:** We don't have that information here, but it would be in the report and we'll provide you with that information.

**Mr. Williams:** Am I correct in assuming that some of the students were, in fact, involved in undertaking studies and submitting reports on various types of programmes as an investigative type of undertaking?

**Mr. Crosbie:** Yes. Some of them were assigned to planning work here in the head office, planning studies.

**Mr. Williams:** What has been done with the previous studies that were prepared by these students? What use is made of them once they are submitted?

**Mr. Crosbie:** They are working on the normal work of the ministry, and that work would go on just in the normal process. They are working on studies of subdivisions and examination of subdivisions and that sort of thing; just in the normal mill if you will.

**Hon. Mr. Rhodes:** Yes. They weren't assigned a specific study project that was separate from the general work of the ministry. They were put into the whole ministry operation and continued to work in existing programmes. The studies have been going on continually.

**Mr. Williams:** You may be right, Mr. Minister, with regard to your own particular ministry, but I'm not satisfied that this has

been the experience in other ministries where this Experience '75 programme has been—

**Hon. Mr. Rhodes:** I can't discuss or be responsible for what has happened in other ministries.

**Mr. Williams:** Of course, I understand that. But my concern here is that this is your basic understanding of the situation. I'd like to be assured of that, because quite candidly I've spoken to some of the students who have been involved in some of these programmes.

Again, I reiterate, I'm not being critical of the normal temporary job opportunities that have been made available over the years to students to cover off the permanent employees on the summer holidays. This was a specific programme embarked upon to provide job opportunities when they seemed to be lacking because of economic conditions in the private sector. A lot of them appear to have been make-work programmes that have not really been productive in any manner whatsoever.

I have had some who have been involved in this programme critical of the fact that they were sent out to undertake a study or a research project that either turned out to have been one that was perhaps paralleled in the past on one or two occasions, or if it was a new undertaking the value of that type of research and study appeared to have been very limited. In cases where there appeared to be a legitimate need for a study or undertaking, in some instances I've had it stated to me by those who have been involved that upon submitting the report at the end of the summer period the report appeared to have been pigeon-holed and not utilized further by the department supervising the undertaking.

There has been some suggestion, Mr. Minister, that there has been a great deal of non-productive effort going into some of the Experience '75 programmes. While it is well-intentioned, I think when those who have been involved in the programme are critical of it then it does need a critical eye.

**Hon. Mr. Rhodes:** Perhaps Mr. Wronski can give you more specific and more details on just how it operated within this ministry.

**Mr. Wronski:** Thank you, Mr. Minister. There actually are two thrusts to our summer employment of students in this ministry. One, which is listed here separately as Experience '75, is a very critically-designed programme, well-monitored where students are first of all instructed in such things as Ontario Home Renewal Programme techniques which

are used by the programme directors and by the municipalities in defining, for instance blighted areas for inclusion within the Neighbourhood Improvement Programme.

They are being brought to Toronto and instructed and then sent to their own municipalities where they work with the municipalities on these specific urban renewal issues. After the summer period, which they spend with the municipalities, before going back to university we have found that quite a number of them go back and actually find jobs in this specific field of endeavour, such as community inspectors, community workers of that nature, dealing with urban renewal. This is all well documented in the report which the minister referred to and which we will make available to you.

The other thrust of the student summer work programme is the one where we take students to our headquarters offices, where they work on any jobs that are available, helping out with the backlog of applications, working with trained planners and getting the benefit of the experience of working in a large institution and planning office. But the one specified here in the estimates is a specific programme designed and monitored and well evaluated.

**Mr. Williams:** That's encouraging, because as I say there has been some criticism of the programme. It's easy to be critical from without, but if it comes from people who have actually been involved in it and recognize that they've been hired by the government to undertake certain studies and programmes, and if they find that it was non-productive to the point of being prepared to criticize the need for that programme in the future, it does concern me.

**Hon. Mr. Rhodes:** Mr. Williams, I don't want to interrupt you but can you specifically tell us of some area within the responsibility of this ministry where there have been these non-productive things that you've been made aware of?

**Mr. Williams:** It was in one of the other ministries that I had the specific criticism, but because of it, I wanted to see what the situation was with regard to Experience '75 in this ministry.

**Hon. Mr. Rhodes:** With respect, as I said earlier, I can't attempt to answer for what happens in other ministries. We would like to assure you that is not the case in this ministry, but if you do have some concern about a specific area in our ministry and if you feel this may have occurred or you have some

information, we would appreciate knowing about it so that if it does happen we can cure it.

**Mr. Williams:** This is why I raised the question. The answer I've had seems satisfactory, but I'd like to have it reinforced with the material being brought forward, if I could, for my own information.

**Hon. Mr. Rhodes:** Sure.

**Mr. Chairman:** Mr. Cassidy.

**Mr. Cassidy:** We are sitting until noon or 12:30?

**Mr. Chairman:** Twelve o'clock.

**Mr. Cassidy:** Okay. I want to begin by asking the minister about the Planning Act review. Would it be correct to say that since the ministry has delayed from the fall of 1973 to the fall of 1975 in commencing this review that basically you have been dragging your feet because you don't like the idea? Or can you explain why the delays have taken so long? And if you happen to be still forming the government, when do you expect this—

**Mr. Makarchuk:** This is a prospect you must consider.

**Mr. Cassidy:** Although it would be greeted with some unease, when would you expect that legislative amendments to the Planning Act might be available?

**Hon. Mr. Rhodes:** You're referring to the study of Mr. Comay?

**Mr. Cassidy:** Mr. Comay and Eric Hardy, yes.

**Hon. Mr. Rhodes:** His target date is September, 1976. I will have to pass to the gentleman who has been involved in this from the beginning; I have not been.

**Mr. Wronski:** Mr. Chairman, this ministry was made responsible for the Planning Act review in the summer of this year. Before that it was a consideration of another ministry. As soon as we took on this responsibility, the order in council was announced and the study was set up.

**Mr. Cassidy:** He says the previous minister was wrong. You say, in this case, it wasn't your ministry. Is that right?

**Hon. Mr. Rhodes:** I didn't say the previous minister was wrong.

**Mr. Cassidy:** Oh, on other subjects. Okay, I understand.



**Mr. Wronski:** I am just telling the story as it is. Our responsibility for the Planning Act review started in the summer of this year, and the transfer of funds from another ministry to ours was effected. A committee was set up under the chairmanship of Prof. Eli Comay. The deadline for the production of a green paper, after all the consultations necessary for this kind of undertaking, is September, 1976. As to when the legislative amendments will come, this is something which I cannot answer at this point.

**Mr. Cassidy:** Okay. Then I commend the fact, now that you have responsibility under the able leadership of Mr. Wronski, that you're beginning to pull the finger out, so to speak, because in fact the delays were really inexcusable. Back in the fall of 1973, you may recall, the select committee on the Ontario Municipal Board came in with its report on the OMB, which has been ignored, and indicated very strongly that it was prepared to undertake a review of the Planning Act; or if we didn't do it that it should be done by the ministry.

The government took the view that the select committee obviously was an NDP front, and therefore didn't want us to do it, despite the presence of Mr. Irvine and other people on the committee, and let the whole matter rest in limbo.

Could the minister say whether he has some personal views at this point about the role of the Ontario Municipal Board in the local planning process?

**Hon. Mr. Rhodes:** No, I don't think I have any personal views that I need to discuss at this time.  
[12:00]

**Mr. Cassidy:** Does the minister have any feeling about where the responsibility ought to rest? Is it between the OMB and cabinet, or between local municipalities; in terms of making those planning decisions?

**Hon. Mr. Rhodes:** I'm afraid you have lost me now when you say in terms of the planning decisions.

**Mr. Cassidy:** Does the minister feel that the OMB's right of veto over local planning decisions should be continued, should be strengthened, or should be weakened or eliminated?

**Hon. Mr. Rhodes:** I really don't think I can comment on that. I don't really know whether they are, at the present time, carrying too much clout or not. I would want to have an opportunity to look at what the

experience has been and I haven't done that. I don't know what their track record is. I would think it would be unfair for me to say that they are too tough or not tough enough unless I could see what their track record is.

**Mr. Cassidy:** Perhaps, at least, I could have your attention, Mr. Minister, for a couple of comments.

The days when the OMB enjoyed widespread support have long since passed and it basically ended with the resignation of Al Kennedy as the chairman of the OMB. The OMB, during his chairmanship, was quixotic and arbitrary, but it was rescued from time to time by some rather dramatic decisions that he personally was involved in. But the body, as a whole, it seems to me, is mediocre, is unpredictable, is often unfair and tends to be influenced by some very bizarre arguments and considerations.

In certain cases they lean heavily toward expert opinion if it's been produced by a developer or by a municipality. In other cases, they will not give any consideration to expert opinion, in particular, if it is introduced by citizen groups.

There is often a strong anti-citizen bias in the OMB. At times they have gone to the extent of refusing to listen to citizen groups because they weren't incorporated or in stating to people who lived in a neighbourhood that they couldn't possibly know that of which they spoke because they were merely residents of the community and do not have planning qualifications or other expert qualifications.

**Mr. Chairman:** It is now 12 o'clock.

**Mr. Cassidy:** Is it?

**Mr. Chairman:** In fact, it is two minutes after 12.

**Mr. Cassidy:** In that case I might resume some of these comments afterwards.

**Hon. Mr. Rhodes:** Mr. Chairman, if the member is going to resume, I think I should draw to your attention, and I bow to your great wisdom; in fairness the Ontario Municipal Board is not a responsibility of this ministry. It is with the ministry of the Attorney General and I don't see where we even should be discussing the OMB.

**Mr. Cassidy:** The minister is correct, Mr. Chairman, except the OMB is an essential part of the planning process established in the Planning Act and your ministry has got overall responsibility for the Planning Act.



**Hon. Mr. Rhodes:** The operation of the OMB, whether they are arbitrary or not, really is not of a part of the responsibility of this ministry. Any changes that might be made, as far as the OMB is concerned, would be made by the Attorney General. It seems to me that would be the place, in the Attorney General's estimates, that that should be discussed in detail.

**Mr. Cassidy:** This minister should at least be aware of it in the same way as the Minister of Consumer and Corporate Relations should be aware of what is happening in the courts if the courts are not adequately enforcing legislation for which he is responsible.

Can I say one other thing before leaving? I have had a word with Mr. Hall about the time problem we have this afternoon and this evening and suggested the possibility that after we finish vote 802 that we might, by agreement, forego discussion of vote 803 because the Housing Action Programme did have a great amount of discussion during the discussion on the main vote at the beginning. That would allow us to probably touch on almost all of the other estimates; and if the select committee is sympathetic then—

**Mr. Chairman:** That is a very good suggestion and of course when I call vote 803 it will be up to the members of the committee if they wish to let it pass.

**Mr. Cassidy:** We have consulted in our caucus and are prepared to go ahead with that, particularly if we hear from the other caucuses that they are prepared to do the same thing.

**Mr. Hall:** Mr. Chairman, I told Mr. Cassidy that I will check into it and answer this afternoon.

**Mr. Chairman:** Because this is the last day of estimates and there are three other votes, probably I should put this vote before we adjourn.

**Mr. Cassidy:** Mr. Chairman, I believe we would like to take it up after.

**Mr. Chairman:** Do you have something further?

**Mr. Cassidy:** Yes.

**Mr. Chairman:** Fine, we will then adjourn and—

**Hon. Mr. Rhodes:** Mr. Chairman, before you go, Mr. Cassidy has suggested, and apparently Mr. Hall I guess concurred—

**Mr. Hall:** When we get back.

**Hon. Mr. Rhodes:** Okay.

**Mr. Cassidy:** Not quite concurred.

**Hon. Mr. Rhodes:** If I could have some indication—in these days of austerity and productivity, I would like to release certain staff members who otherwise would be remaining at this sitting in order to deal with vote 803.

**Mr. Cassidy:** I don't think it would be safe to do that until at least 2 o'clock. Possibly at 2 o'clock we can have an agreement.

**Mr. Hall:** We have some very avid fans of your ministry I would want to check with first, Mr. Minister.

**Hon. Mr. Rhodes:** Margaret? Vern?

**Mr. Hall:** Yes.

The committee recessed at 12:05 p.m.

## CONTENTS

---

**Thursday, November 27, 1975**

Community planning programme .....	S-599
Recess .....	S-621

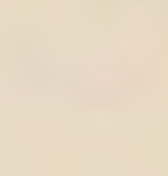
## SPEAKERS IN THIS ISSUE

---

Angus, I. (Fort William NDP)  
 Cassidy, M. (Ottawa Centre NDP)  
 Eaton, R. G. (Middlesex PC)  
 Hall, R. (Lincoln L)  
 Kerrio, V. (Niagara Falls L)  
 Makarchuk, M. (Brantford NDP)  
 Newman, B. (Windsor-Walkerville L)  
 Rhodes, Hon. J. R. Housing (Sault Ste. Marie PC)  
 Sargent, E. (Grey-Bruce L)  
 Sweeney, J. (Kitchener-Wilmot L)  
 Wildman, B. (Algoma NDP)  
 Williams, J. (Oriole PC)

### **Ministry officials taking part**

Campbell, S., Planning and Evaluation Co-ordinator  
 Crosbie, D. A., Deputy Minister  
 Farrow, G. M., Executive Director, Plans Administration Division  
 Wronski, W., Assistant Deputy Minister, Community Planning



# The History of the County of York

By  
John G. Nichols

Vol. I. York and its  
vicinity.

Published by  
the York Historical Society.

1891.

Printed by  
J. H. Nichols.

YORK, N. H.







Government  
Publications

# Legislature of Ontario Debates

**SUPPLY COMMITTEE**

**ESTIMATES, MINISTRY OF HOUSING**

OFFICIAL REPORT — DAILY EDITION

First Session of the Thirtieth Legislature

**Thursday, November 27, 1975**

Afternoon Session

Speaker: Honourable Russell Daniel Rowe  
Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975

## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MGS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.



## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

THURSDAY, NOVEMBER 27, 1975

The committee resumed at 3:25 p.m.

#### ESTIMATES, MINISTRY OF HOUSING (continued)

**Mr. Chairman:** I call the committee to order. We will continue with the discussion of vote 802. I'd like to remind the committee that the estimates of this ministry must be completed by 10:30 p.m. and I now have, I think, seven or eight on the list for 802. I guess I am sort of indirectly suggesting to the committee that if they could confine their remarks as much as possible, I think it might be helpful to the committee so that they could discuss all votes before 10:30 tonight.

The first on the list is Mr. Sweeney.

**Mr. Sweeney:** Are we still on 802, Mr. Chairman?

**Mr. Chairman:** Yes.

On vote 802:

**Mr. Sweeney:** I have a couple of questions for the minister or his officials. The first one is what is the present status of this ministry in terms of overall planning for encouraging or discouraging mobile home parks as permanent settlements? The second one—

**Mr. B. Newman:** Why don't you just read Hansard?

**Mr. Sweeney:** I am sorry. Okay.

**Hon. Mr. Rhodes:** Yes, I made some comment on that, I think, last week in the estimates; or this week. I am not sure what day it is.

**Mr. Sweeney:** I have two coming up in my area that's why I asked you.

**Hon. Mr. Rhodes:** There will be amendments coming into the Planning Act, which will give some status to the mobile home parks. If you will give me a moment, we'll have some of this information for you.

**Mr. Sweeney:** Mr. Minister, the overall planning procedure that is being used at the

present time in the province does not seem to be able to produce the number of houses we need, and there have been a couple of alternative plans, forms, whatever you will, suggested by various people. For example, there is impact zoning, and a suggestion by the School of Economic Science that we stress the taxation on land rather than on buildings. Could you give me some indication as to whether or not your ministry is looking into these kinds of alternatives and whether or not you feel that they have some merit from your point of view?

**Hon. Mr. Rhodes:** First of all, let me talk about the mobile home question. I think our position has been, and will remain, that the mobile home is a legitimate alternative form of housing, providing it is provided with good planning and within a park—I think you would agree with that—and that there is proper consumer protection for everyone.

What we propose to do is to develop new legislation in the areas where this legislation is required, such as in the Planning Act. We want to change the Planning Act so that it will provide for it. The amendments to the Planning Act which would govern mobile home parks are being drafted, and will be dealt with in the same manner as subdivisions are currently controlled under section 33 of the Planning Act. With them in place, the ministry would then design guidelines to assist municipalities in evaluating the specific proposals.

We also have further assistance available in the form of a model policy statement, so that positive mobile home policies can be introduced into the municipal official plans.

So we are really looking at the mobile home park as a very important part of providing housing for people who like to use this sort of housing, providing that the parks are developed in the right way; and we like to assist municipalities in this area.

Perhaps I could mention for the benefit of my neighbour from Algoma riding (Mr. Wildman) that I have been in contact with a mobile home park developer who is going to be coming up into his area and mine with a view to developing a suitable mobile home

park for the people who are in unsuitable areas now. So, we should have some information on that.

But that is just some idea of how we want to be involved in assisting municipalities and in some cases, such as that of Mr. Wildman, the unorganized territories, to develop parks and recognize them.

**Mr. Wildman:** Mr. Chairman, is it possible to ask a supplementary to that?

**Mr. Chairman:** Mr. Sweeney was first.

**Mr. Wildman:** Okay.

**Hon. Mr. Rhodes:** Perhaps I should also touch on the fact that there will be some changes by Consumer and Commercial Relations, some amendments there to get them in under the building code so the standard will go up. The speculation tax regulations have been amended already, so as to exempt land transactions involving them. The mobile homes are protected under the rent review legislation and also under the Landlord and Tenant Act, so there is full recognition.

As I said the other day, one of the main problems now as I see it with the mobile homes is that the standard of the home itself has to be raised, not necessarily to increase the cost but the quality. They are building them for Miami weather and selling them in northern Ontario. It just isn't working; they are just no good.

Now, for the second portion I am going to turn to my learned friend, Mr. Wronski.

**Mr. Wronski:** The theory of taxation of land versus the theory of taxation of the improvement of land as well as the land itself, which is used in our assessment practices, has been expounded for several years. It has even been tried in Australia. It has not been tried in this hemisphere.

I really cannot answer this question properly because, as you well know, Mr. Chairman, assessment of land and taxation policy is not a problem to which we have to address ourselves in our ministry. It's handled by another branch of the government. Whether that particular theory would have been more conducive to housing production or not, I think it is still a disputable matter. Admittedly, it might have put land into operation faster if it had some increased tax burden.

[3:30]

**Mr. Sweeney:** That was the direction of my question.

**Mr. Wronski:** That's right. I can say, however, that we are not addressing ourselves toward it because it's not within our purview.

**Hon. Mr. Rhodes:** On the question of the reassessment, I'm very fortunate. My deputy is also a former Deputy Minister of Revenue and has had some involvement there. Perhaps he would want to assist.

**Mr. Sweeney:** May I just put it into context? The reason I introduced it was not because it was an assessment question but rather in terms of planning and getting land on to the market. It's in that context that I'm addressing the question to you, not because it's specifically an assessment question. I'm interested in it from a planning point of view and I realize that assessment is involved.

**Mr. Crosbie:** Mr. Chairman, I'm not aware of any argument that a site value assessment will put more land on the market. As for the jurisdictions that have used site value assessment, when I was in Revenue we examined those jurisdictions and we found that they were having as many or more problems with site value assessment. We particularly looked at the New Zealand experience. There we found, in essence, they had to come back to a modified form of assessing the buildings in order to value the site, because the value of the site to a large extent is reflected by the type of building you're able to put on it. This begged the whole question of site value assessment, but nowhere had I heard it argued that site value assessment, per se, would make more land available.

**Mr. Sweeney:** May I put the question in a different context then? It is my understanding that one of the problems we face in this province in a number of municipalities, including my own, is that there are large tracts of land that could be developed for which approvals have been given, but for economic reasons the developers choose not to do so. As long as the assessment on that land remains relatively slow, there is no economic penalty to literally force them into doing it. I'm putting it in that context.

**Mr. Crosbie:** All right, fine, sir. I believe this is one of the issues that will be dealt with in the reassessment programme which is due to come onstream next fall. The December, 1976, reassessment for taxation in 1977 will put market value assessment on all land. One of the problems we have been faced with in Housing is the uneven assessment not only of land but also of structures.

As you know, there was a recent amendment in the House relating to condominiums which tried to straighten out one area of assessment that was affecting housing. This problem exists right across the whole gamut of property and buildings. At present, some residential properties are assessed at 10 to 15 per cent, where apartments might be 25 per cent and condominiums 35 per cent of value. Land which is ripe for redevelopment is continued in its farming assessment until such time as it is actually subdivided and resold.

Under the past assessment principles, it's quite true that the owners of land were not properly assessed on the market value, even the market value as it exists today, and I don't think that's a question of bringing in site value assessment to correct that effect. If we just bring in market value assessment on the land, and, in determining market value, as they are doing now, take into account the potential value of unsubdivided land that the land derives out of its proximity to other development, if that value is attached to the land and it is assessed on that basis then, certainly, the carrying costs of the land will reflect the proper elements. That is being done, as I say, and is intended to come onstream in the fall of 1976 for taxation in 1977.

**Mr. Sweeney:** Mr. Minister, in the context of that same question, plus the other I asked about impact zoning, would there be any thought in your ministry of having different kinds of planning procedures, or trials, whatever you want to use, in different parts of the province to see if some work better than others? It strikes me, and perhaps I'm wrong, that we tend to get into one form, one procedure of doing anything and we just do that everywhere. We don't really give ourselves a chance to find out whether a different way of getting at it might be more productive. That also is part of the thrust of my question.

**Hon. Mr. Rhodes:** Yes, the deputy just mentioned that there is some of that being done, perhaps not on so large a scale but in the areas where we have gone to zero lot lines, for example. Providing for building on lots that way, of course, has quite an effect on density, as you must know.

The mobile home park situation is a different approach, in fact really a new approach. I don't think there is much question that in some cases you have to have some flexibility because of the different needs and different areas of the province. Perhaps there should be a fair amount of flexibility in these areas.

But I'm sure Mr. Wronski will tell you that they've been working to some degree in that way for some time.

**Mr. Wronski:** Yes, we are indeed. And with the vehicle now which is afforded to us, that is the study and review of the Planning Act, we hope that we'll be able to impact the great future green paper that will differentiate between different parts of the province and different requirements—which, of course, might be ecological and socio-economic differences between regions in such a large province as this. So we hope that we'll achieve the kind of flexibility the minister and yourself are asking for.

**Mr. Makarchuk:** Mr. Chairman, I think one of the first points I wish to raise is the matter of severances. It was touched on earlier, I think by the member for Niagara Falls (Mr. Kerrio). This relates to some of the in-camera negotiations or discussions of the severance committee in reaching decisions. Would the minister be prepared to issue a directive to the severance committees or land committees to hold their discussions in public to ensure that the people who are concerned are present and are able to stay when the discussion regarding their particular severance is being dealt with?

**Hon. Mr. Rhodes:** I think as I indicated this morning, I believe this is the proper approach to this sort of thing—the open meetings and the decisions being made at the open meetings.

I'm under the impression, and I stand to be corrected by those others present who are more familiar than I, but it seems to me that these land division committees and committees of adjustment, aside from the authority to have such a committee, the permissive authority, I'm not sure we have the authority to direct them in how they operate within their localities. Perhaps Mr. Wronski or the deputy would tell us.

**Mr. Crosbie:** One of the problems with any attempt to direct these committees is that they are a quasi-judicial body. It is the same type of criticism that would be directed at you if you attempted to direct the decision of any judicial body. They are by legislation given certain authority and they are supposed to make their decisions—and once they have a matter before them, they are the proper group to make the decision. If we interfered by attempting to make the decision, we would be quite promptly criticized.



**Hon. Mr. Rhodes:** It's not directing the decision, it's a question of directing them to hold open meetings.

**Mr. Makarchuk:** That's right, I'm not concerned about directing the decision. There is an element of suspicion. I've seen committees of adjustment deal with a similar piece of property almost on the same street. In one case they will permit a severance and in another case they will not permit a severance, and nobody seems to know the reason.

I have reasons to believe that in some cases there is a certain element of friendship or bias involved as to whether the severance is granted or not. These are the kind of things that happen. It does not provide for either good government or good administration if you permit those kind of situations to continue.

I think there should be some kind of directive to these committees from your ministry to the effect that they should make these decisions in public. When they are making a decision on a particular severance, they should not exclude the public from the hearing—and this happens. Or else they will delay their decision and then hold the discussion some time later and come out with their reason.

I think it is a step that the minister could take. I'm not sure whether you have the legal powers; perhaps there is some argument whether you have the legal power or not to direct them. But if you do, I think you should exercise it and make sure that direction goes out to these committees.

**Hon. Mr. Rhodes:** Just one quick comment on it. As I understand the operation of them, they are required to hold their meetings in public, that is the open meeting and hearing in public.

**Mr. Makarchuk:** The hearing in public.

**Hon. Mr. Rhodes:** The hearing, right.

**Mr. Makarchuk:** That's all.

**Hon. Mr. Rhodes:** But again going back to what the deputy has said in treating them as quasi-judicial bodies. If a judge wishes to do so, or as a jury does, they can leave after all of the evidence has been heard and make a decision. I know what you are thinking about, because it was a criticism of mine of the planning board in my own community. They would hold the hearing publicly and then go into a private session for the discussion. It bothered me that the members of the council didn't have the same opportunity.

We had to take our flak from the public, and with your experience I'm sure you've had the same. I don't think we have the authority to order the board or the commission or the committee to have their discussion and make their decision in public.

**Mr. Makarchuk:** The other point is on the matter of the Nanticoke development in that area and your two satellite cities. Stelco intends to go on stream some time in 1977, but I saw a press report the other day that they may delay the going on stream for a few months, which means they will have a labour force in that area of roughly 1,700 people working in full-time employment, not counting the number of people who are involved in construction, not counting the number of people who are involved in the Texaco refinery and not counting the people who may be employed in the industrial park that Stelco has provided in that area.

There's no doubt in my mind, and I think there's no doubt in your mind, that neither Port Dover nor Simcoe nor Hagersville nor Jarvis nor Cayuga can provide the residences for these people. You will not be able—at least, I don't think so—to get your satellite cities on stream for at least another five years. It will be that long before you manage to get the infrastructure and everything else in there and start subdividing and putting up houses. I just wonder do you have some kind of a timetable now for when you figure you will have those satellite cities in operation?

**Mr. Wronski:** There is again a two-pronged, two-thrust programme. I think the initial stage of Stelco and other industrial development expansion will be accommodated within the existing towns, with a very moderate expansion of those towns. We have the Ontario Housing Action programme active in that area with municipal agreement. We also have the Ministry of the Environment enlarging existing hard services in these towns, be it Waterford, be it Simcoe or Port Dover, and in Cayuga to a certain extent. Therefore, the initial expansion will be taken care of.

Our basic programme as far as Townsend is concerned is that we'll finish the conceptual and detailed planning for the first community at the beginning of 1978, which means that other things being equal we can go into production in 1978 to take over the overflow which, if Stelco increases or accelerates the rate of expansion, we can handle. Admittedly it will not be with the full infrastructure. We'll not build the regional hospital at that stage, but at least we'll provide the housing and we'll provide

school facilities and anything else which is basically needed. We are flexible to that point that we can do it.

**Mr. Makarchuk:** I question your feeling that at Simcoe and Port Dover you will be able to house these people. If you look at it in terms that one job will probably provide five other jobs and so on, there would be 8,500 people. There's no way you're going to be able to house 8,500 people in Simcoe or Port Dover.

In Port Dover a private developer has 400 units on stream now. In Simcoe you have something similar. I think the mayor of Simcoe has stated they're reaching the limit of growth in their area, the limit of servicing, and a similar situation exists in Port Dover. From an aesthetic point of view, I think that the expansion of Port Dover will be the ruin of a nice little community. But I have no choice in the matter.

What will happen, of course, is that there will be pressure on Hamilton and certainly a great deal of pressure on Brantford. As a way out—and I'm not putting a plug in—Brantford does have a certain infrastructure. The distance between the industrial areas and Brantford is about the same as it is between those areas and Hamilton. You have something like 1,000 acres sitting up there in Brantford township that should be developed or could be developed and it would help you alleviate some of the pressures that will develop in that area.

I do not agree with your assumption that Simcoe and Port Dover or any of those communities will be able to supply the accommodation. Even at this time where you do not have a permanent labour force ensconced working for itself and do not have the refinery on stream and do not have peripheral industrial development going into the industrial park, you have a housing problem in those communities. It's going to get serious and become aggravated. I would suggest, as one of the ways out, you start looking very seriously at what you could do in the Brantford area in terms of ensuring that growth. In terms of transportation the distance is not that great, the roads are reasonable, and it may help you to absorb some of the problems that will develop there.

[3:45]

The other point I wish to raise is the matter of whether your ministry is in some way planning some type of assistance to communities who wish to redevelop their downtown areas. In the past, there were plans tied in with the federal government,

and when the federal government decided to pull out nothing further happened; some of the communities that started were left holding a series of plans for which they paid a fair amount and nothing else was done. Is there any discussion within your ministry that you may either consider experimental projects or come up with some kind of programme which communities could utilize for redevelopment of their core areas which, in many cases, are deteriorating?

**Hon. Mr. Rhodes:** Yes, we are involved—not as deeply as the ministry would like to be, and perhaps will be. The deputy can comment on what has been happening there.

**Mr. Crosbie:** Mr. Chairman, there was a further study of the development of core areas sponsored by the ministry. It was circulated to the municipalities for their comments. We are now in the process of assessing that study, and attempting to determine what the cost implications are, and just what the budget requirements are, of going into such a programme.

We also wish to discuss this with the federal government to see to what extent we could interest them again in their urban renewal programme. We, in the ministry, are quite interested in this programme, and think it has real possibilities.

**Mr. Makarchuk:** Great. Again, dealing with your community planning, there are some things you could do for cities. In a sense this is where you have clout. On the one hand we argue that we should have decisions made at the local level, but on the other hand, we know we can always run to the province for last-minute assistance. I am concerned with what's happening when peripheral shopping centres develop in communities. As the shopping centre goes up, money leaves the downtown area. In some cases the shopping centre develops in an adjoining township—you have been involved in some of these—in other cases it develops within the community itself. Because of political pressure, local pressure and so forth, these people are able to get the shopping centre built to the detriment of the core area.

Before you give final approval for rezoning, these are some of the things that you should consider. You could request the community to give you some idea of what methods they are going to use to develop their downtown area, how the development of the adjoining shopping centre is going to affect the downtown area and so forth. And you should be prepared to move in to give assistance indirectly



to local people to prevent decay in the centre of their city.

**Hon. Mr. Rhodes:** To some degree that is being done—again, probably not to the extent that we would like, or that will occur.

There are about 70 areas where we have minister's orders on peripheral land just to prevent the very problem you're describing. It causes us some problems too. Because we put a freeze on that land, and along comes the owner—who may be a friend of Eddie Sargent—and who wants to sell it off and he's very unhappy because we won't give him severances. But it's being done for the purpose you've suggested.

Anyone who has lived in a municipality that has been hit with a large shopping centre developing on the outskirts of the community knows what it does to the downtown area. The answer is to have somebody come along and build another one downtown. What you do is move the poverty—you leave the empty shopping plazas on the outskirts.

Yes, we are in the process of preventing that by the only method we have—the minister's order to freeze the land.

**Mr. Makarchuk:** I would suggest, Mr. Minister, that if Eddie Sargent's friend insists on these things you could perhaps mention to him that, yes, we would be prepared to let you develop the centre, however, we will tax your land retroactively to the market value for the last 10 years, and perhaps there may be a change of plans in that case because—

**Hon. Mr. Rhodes:** Eddie doesn't want the development, he wants the severances.

**Mr. Makarchuk:** Well yes, the severances; but I mean if we severed the land it becomes valuable, or its price goes up, and perhaps the man has been holding it for some time paying tax on it at agricultural rates and now he wants to sever it and not pay taxes. Perhaps with rights go certain responsibilities.

The other point I wish to raise is the matter of new housing units and designs. It seems to me that your ministry could be in a position to initiate new housing designs without having to depend on the private market to do this thing. Even in your HOME projects you are very sterile in your thinking, with possibly the odd exception in Bramalea. You don't experiment. You don't ask builders or private developers to come in with something different.

In some cases, you may be restricted because of adjoining property owners. Or you may be restricted because of some municipal regulations. But there are areas, I think,

where you are starting on a new project, where HOME, you yourself, OHC and your planning department can come up with some fairly innovative type of housing that will possibly be lower in price.

You could, as an example, provide two- or three-storey housing that may have a rental unit available in it so the people buying the home not only have a place to live themselves but are also in a position to rent a portion of it and get some revenue coming to them.

These kinds of things you are not doing. I would suggest perhaps in some of your new projects that should be going on-stream—I am speaking hopefully here, I am not sure whether you are planning them or not—you should consider these things.

Because the private sector is stuck on the single-family unit, or because we have been traditionally bound by the single-family unit for the last 15 or 20 years, you don't have to be. Perhaps we should start branching out and looking at whether we need homes of 1,000 sq ft. There are a lot of people who would want homes, perhaps, with only two bedrooms. There are a lot of people who want homes who would accept rental units. These are the kind of things that should be available. But you don't provide the option right now. Under your HOME projects, as an example, you do not have these things. I think you should move in this direction in the future.

**Hon. Mr. Rhodes:** There is a certain amount of that going on now. Again, Ontario Housing does some design work.

**Mr. Makarchuk:** Very limited.

**Hon. Mr. Rhodes:** I suppose Mr. Rose perhaps could comment to what extent they are doing the designs. Before he does, the other thing that we do as well is in the modified tender approach that we take now. We design the basic and then the detail—

**Mr. Makarchuk:** But even on that there is a problem. I was going to raise it later on. That is the fact that you ask for minimum standards and they say: "Okay, we don't need eavestroughs. We can use plywood siding." These are some of the things that drive the local building inspectors hairy when they see what they intend to put up there.

**Hon. Mr. Rhodes:** I am not questioning that what you are suggesting is happening. It disturbs me in that if that is being built by Ontario Housing, it must be meeting, I would hope, the municipal building standards.



**Mr. Makarchuk:** Well, it does. Fortunately it meets it, but—

**Hon. Mr. Rhodes:** You think we should go beyond those standards?

**Mr. Makarchuk:** I'm not too sure whether you should go beyond those standards. But I believe there are certain frills, like eavestroughs as an example. You can build a home without eavestroughs. Personally I think they are very necessary. But in your case your builders can get away with them.

The designing that you do is you say: "Okay, we will call for the minimal standards," and it comes to the building inspector in the community and he says, "Okay, here is what they want. What can I get away with?" He is not interested in getting as much as you can, or perhaps you are not interested in assuring that you get as much as you can. He is working on the basis: "I've got a certain price and I'm going to try to get away with as little as I can," and that is exactly what he does. He still meets the standards but he doesn't necessarily put up a unit that blends in with the adjoining units.

**Hon. Mr. Rhodes:** The federal programme that Mr. Danson has announced I think goes back to the very thing you were talking about a little earlier, the two- and three-storey units. That's exactly what that programme is aimed at and one of the reasons why I certainly support his approach and I hope it works, I would like to assist him to make it work. The \$1,000 per unit which is a real—Hopefully we'll get municipalities and builders who in the past have said the single-family unit is the old tradition, that's the way of life. Well, maybe we are going to get the municipalities to agree to zoning some property now with a mix of multiples as well as singles, triplexes, duplexes and fourplexes all mixed together. This should be a great area.

**Mr. Makarchuk:** I think you are in a position, in some areas right now where you own the land, to do exactly that. As an example, in Brantford, on the land that you have adjoining the present project there should be no restrictions to the change in zoning in that. I don't know why the municipality would object to it. There are no people living there. If you wanted to rezone it now, in case of some objections, the people who will be going in there will probably know exactly what will be developing on the edge and therefore they cannot complain then, saying: "Well, we didn't know this was happening."

**Hon. Mr. Rhodes:** Providing we don't run into density problems which municipalities are very concerned over, as you know.

**Mr. Makarchuk:** Not really, no. There are some municipalities that are concerned about density problems for various reasons. But I think that this is where you should be moving.

**Hon. Mr. Rhodes:** Perhaps Mr. Rose could answer you.

**Mr. Rose:** I think initially what we do do when we build is that we must meet the local building standards and, of course, the National Building Code. We would also have a schedule of our own which in some instances will set standards that might be higher than both the local building standard or the National Building Code. I think that possibly a lot of the housing that is being looked at now was designed and prepared some two years ago.

I think over the last six to eight months we have changed our approach considerably and I hope are coming up with more innovative housing. For example, we are now, even in Toronto, moving in the borough of North York a project of two-bedroom Home Ownership units to meet that two-bedroom need. We are going into such types of housing as link townhousing stacked townhousing, condominiums and a number of forms of housing which we think are presenting more than what has been the normal range in the past.

The approach we take, if I could just take a minute, is that we hire a local architect to prepare a modified plan which shows the streetscaping, the type of the design of the house and so on. It is then taken down so we can obtain municipal approval before we even go out to call now. So we are able to put these innovations in, get the municipal stamp of approval and then these are available to builders to come in and use. This has really just been under way for the last six months so it will only be in the beginning of the new year that we will see the results.

**Mr. Makarchuk:** Okay. That is all I have at this time, Mr. Chairman. Would you like to put my name in the rotation somewhere in your list of speakers?

**Mr. Chairman:** For the information of the committee so the speakers know in what order I will call them: Hall, Godfrey, Bryden, Sandeman, Newman, Cassidy, Wildman and then Makarchuk.

**Mr. Hall:** I would like to get back to the discussion of land severance policy and re-

gional land severance committees or land severance committees in total. As I told you before, I have found a great deal of dissatisfaction with the regional committee because of the lack of local input and the remoteness of the situation since they have been taken out of the local hands.

As you are aware, there still are local minor variance committees. They have not as much to do but they still have to be structured and be available. And, the regional committee, again, is far remote. It meets geographically some distance away, among other things, and doesn't have the local membership and therefore doesn't have quite the same local flavour to it.

[4:00]

A question has been made as to the way the land severance committees conduct their meetings. I have always had it put to me that the committee deems itself to have all the powers that the minister has under the Planning Act. Therefore, whenever a point is raised, the Planning Act is referred to, "The minister has it and we're an operating arm of his and therefore we have it." I think it's quite possible you could change their thinking as to public participation in the decision-making end of the thing.

I know there have been instances where decisions were rendered. There might have been multi-pointed reasons as to why a certain decision was rendered but often one or two of the reasons would be points which didn't even come up in the open discussion on it and, therefore, were points the applicant didn't have any chance to reply to.

This does run over into the Escarpment Commission hearings. You said they were conducted in private up to now. I understand that very recently it's been announced there are changes being made and they will be conducted in public. I was thinking of that. There was a case which came up and one of the reasons for rejecting the property was that the land was planted in vineyards. Had the person been able to be there he could have told them, yes, it was planted in vineyards, but it was a vineyard of a type that was very old. It was going to be off the market in a couple of years and, therefore, it wasn't a very valid reason for turning down the application.

A person now has to appeal or something like that to solve his problem.

**Hon. Mr. Rhodes:** You are really talking to a novice when you're talking about fruitlands but it seems to me that as long as it's described as fruitland, the vineyard may be

old but it seems to me it should be replanted. The idea is to save the good fruitland. Because the vines were old, would you allow them to build on it?

**Mr. Hall:** In this particular case, I can be a little more specific. The land was 87 acres and 30 acres of it was planted in vineyard.

**Hon. Mr. Rhodes:** Okay.

**Mr. Hall:** The vendor wished to build a house on two acres which was vineyard. Interestingly enough, the proposed purchaser—who was making the purchase subject to the vendor being able to proceed with the house because it was part of their agreement—had intended to plant acreage over and above 30, up to as much as he could—many more acres—in grapes were he allowed to purchase it. Because the Escarpment Commission said, "This is on vineyard" without inquiring as to whether it was a good one or bad one, we have now actually lost the production of many more acres in grapes.

It's an error which happens when you don't have full information and this is one of the reasons I make the point. I'm not arguing about this particular case. I'm just saying unless you allow full input you're going to get this. The opportunity for redress later on is not satisfactory in any time sequence for individuals.

Therefore, for those reasons particularly having to do with land severance, I would like to ask the minister if there have been other suggestions put to him and whether, therefore, he is considering that larger area land severance committees be returned to the local level.

**Hon. Mr. Rhodes:** No, frankly, I haven't considered it because it's only been during these estimates and discussions here that the matter has really been raised to me as being of concern. It certainly is a matter I will be very happy to take a look at.

I do want to make one point on the Niagara Escarpment Commission so that we don't, perhaps, get carried away later on, for the sake of the committee. The Niagara Escarpment Commission is not part of my responsibility. The only time this ministry is involved is at the appeals.

**Mr. Hall:** At the hearings?

**Hon. Mr. Rhodes:** The appeal procedure is an open hearing so we don't have anything to do with that first portion of it. Again, maybe that will be changed.



**Mr. Hall:** I thought you might have a friend over in the other league who would consider that.

**Hon. Mr. Rhodes:** Not necessarily a friend; a colleague but not a friend.

**Mr. Hall:** Going on, I think this is in your area of responsibility; it's my understanding that in June, 1975, it was announced that those areas which were in effect unorganized and where there were no official plans, a change in thinking had been made and that rather than require a minimum of 25 acres, the size would be reduced radically downward. Experience had shown that a lot of land was lying fallow and therefore going to waste.

So the June announcement said that in those areas where the government previously had complete control over land severances, that the new policy allowed a reduction in size requirement. However, the municipalities that over the past several years, under your ministry or a previous ministry, had struggled and put official plans in place, I think you'd have to agree that through your guidance, have had this 25-acre minimum regulation built into their thinking and into their decisions, which become precedent and so on and so forth. If you now realize that it is a land waste and that there is lots of land lying fallow, can you not get back to these committees and unbrainwash them on this need for 25 acres?

**Mr. Wronski:** Since the announcement of the new policy regarding the division of lands for residential purposes in rural areas, first of all the ministry expects most of the counties which are not covered by official plans to prepare their own land division policies for residential purposes. This is assisted by the planning grants which we are giving to the counties. It's also assisted by our technical advice. In other words we are doing the work basically for them for their approval. Those policies will be or are being approved by the minister and therefore they will provide the guidelines for the committees of adjustment.

The very basic purpose of that was that conditions vary from county to county. They vary from one part of Ontario to another. Therefore, what is good for southern Ontario for the preservation of top agricultural land doesn't necessarily apply to northern Ontario, where that same type of land doesn't exist. And yet in the old policy, the 25-acre land division still occurred.

This is now removed and we are expecting that all the policies will be geared to local circumstances, to local economic and social conditions as well as the type of soil and type of agriculture which is being carried out in those areas. So there will be no conflict between urbanization and agriculture. We have had very good results and over 16 counties are engaged in preparation of guidelines for the committee of land divisions. They are all subsidized by us and the policies will be probably in operation within the very early months of 1976.

**Mr. Hall:** To Mr. Wronski, through the chairman and the minister, that was not quite the thrust of my question. That's fine as far as what you are doing from here on goes, but what about all those official plans that have been put in place within the last four or five years where they are still living along guidelines that you have now rejected of less than 25 acres? Will you take steps to inform them that that is not good thinking any more and that they should discard it?

**Hon. Mr. Rhodes:** They are all informed.

**Mr. Hall:** The way the announcement was in the paper it said it would be left up to those areas with official plans to use their own judgement.

**Hon. Mr. Rhodes:** Well certainly. By golly, you like to hop from one side of the fence to the other.

**Mr. Hall:** No, I am right straight down on the wire on this one, Mr. Chairman.

**Hon. Mr. Rhodes:** We have advised the municipalities in both the organized and the rural areas that this is new direction we are going in—that new severances are permitted. I think what we permit them now down to any size, as long as they meet the health or environmental requirements. Usually it's about one acre. But if a municipality has an official plan, and it's calling for 25 acres, and that's what they want to live with, the only other alternative is for us to go in and either use two approaches—either your brainwashing approach or the big stick.

**Mr. Hall:** You may have answered my question in the body of this dialogue. But do you say that you now have advised these areas that have official plans that your thinking now calls for less, and that it makes good land planning use? I know you're not going to instruct them, but so long as you've acquainted them with the fact.



**Hon. Mr. Rhodes:** We've said in the areas where land division committees are looking at severance applications, without any planning policies here to guide them, and where the council has been requested to prepare interim land severance policies, that we'll give them staff and financial assistance through the community planning grants to the county council to carry it out, and that we'll approve interim policies for them. That's in areas, say, where they don't even have any planning policies.

**Mr. Hall:** That's right, yes.

**Hon. Mr. Rhodes:** Where there are official plans we have indicated to them: This is the direction we're going in; we think this is a good idea; we recognize that 25 acres is a pretty large piece of land to take out of use, so you can go down to one acre. But it's up to them to make that decision.

**Mr. Hall:** I agree it's up to them and I wouldn't want it otherwise. But you have advised them and you hopefully influenced the fact that their thinking—which you had asked them to incorporate five years ago, for example—has been altered by time.

**Hon. Mr. Rhodes:** We've even gone a little further than that, too, because we recognize that there is a change. For those who have official plans, we'll subsidize their changing of the official plans.

**Mr. Hall:** That's a pretty good thing. Now, if you'll just get them back to the local level, I'll give you 100 points on this.

**Hon. Mr. Rhodes:** But I'm not going to walk up and down and hand out leaflets at every local community, telling them we've made a change.

**Mr. Hall:** I can't quite imagine you would.

**Hon. Mr. Rhodes:** They've got to be aware and we depend upon the great contact that the local level makes.

**Mr. Hall:** By clearing this up with you I will attempt to make them aware.

**Hon. Mr. Rhodes:** Good boy.

**Mr. Hall:** Thank you.

**Mr. Sweeney:** Could I get a copy of that?

**Hon. Mr. Rhodes:** A copy of which?

**Mr. Sweeney:** A copy of what you just described.

**Hon. Mr. Rhodes:** Of the policy? Sure, we'll send you a copy. It's been out for some time.

Make a note to send it out to all members in case anybody wants to get more.

**Mr. Chairman:** Mr. Godfrey.

**Mr. Godfrey:** Thank you, Mr. Chairman. I'd like to speak on vote 802, item 6, having to do with the North Pickering project, Mr. Minister.

**Mr. Makarchuk:** With which he has some passing acquaintance.

**Hon. Mr. Rhodes:** Do you mean Mr. Godfrey?

**Mr. Makarchuk:** Yes.

**Hon. Mr. Rhodes:** Yes, he does.

**Mr. Godfrey:** So does the minister. He has a great deal of acquaintance with it.

**Hon. Mr. Rhodes:** On both ends.

**Mr. Godfrey:** Yes, indeed. You are more aware of the background from my first comment than anyone else is. The general approach in the North Pickering airport—I mean the North Pickering project—

**Hon. Mr. Rhodes:** That was a Freudian slip, you know.

**Mr. Godfrey:** Of course.

The general approach which was taken for the justification for the town in the first place was on the basis there would be an airport, and indeed through the summary of the recommended plan there's frequent reference to the proposed airport. I presume we can go on the basis that there will not be an airport, and therefore we don't have to consider that in our planning.

There are numerous little lines in here which signify the airport as proposed is up here—that type of identification. Are we to go on the basis that the airport may still be there, or are we just to expunge those lines? I realize this was most likely printed before the airport decision was made.

**Hon. Mr. Rhodes:** Mr. Forster, go ahead. You're the master of North Pickering—my shepherd over here.

**Mr. Forster:** I think Mr. Godfrey's comments refer to whether or not the airport is ever going to be built. But with respect to the planning that was done—as I think is indicated in several places in the report and we've made reference to it at other times—the planning was done on the basis of no airport, other than some of the fixed features such as the northern boundary which was coincident with the boundary of the airport.

Then the plan was tested to see how it would react to the airport, because the decision on the airport was on again-off again through the planning process.

**Mr. Godfrey:** Just to go a little further, sir, the present plan—and I presume the North Pickering project is going to move ahead now—is on the basis of no airport?

**Hon. Mr. Rhodes:** That was the original—the plan itself was done assuming no airport.

**Mr. Godfrey:** Yes, well the reason why I ask is that there are so many little arrows in here saying “proposed airport.” It’s a little confusing to me, whether we’re going to have an airport or not, or whether it’s still being considered. I had understood that all consideration of the airport had been put past.

**Hon. Mr. Rhodes:** Let’s say from the North Pickering point of view we’re proceeding with the North Pickering development as it was originally conceived. Any discussions that would be going on relative to the airport would be carried on between the Minister of Transportation and Communications (Mr. Snow) and Mr. Lang and I don’t know at what stage they are. I very happily passed that on to my successor.  
[4:15]

**Mr. Godfrey:** Yes, I can understand your merriment in doing so. I take it then that there are no airport factors in the present planning?

**Hon. Mr. Rhodes:** I will have to pass on that one.

**Mr. Forster:** Mr. Chairman, the plan obviously indicated in the summary which the member has before him certain relationships to the airport and certain references to it. I think the main impact was in the question of service employment, where it was anticipated that the existence and operation of the airport would induce or encourage service employment in North Pickering. Without the airport, that won’t occur, and the opportunity to bring in professional and office type employment will require more effort on the part of the development corporation than might otherwise have been the case.

**Mr. Godfrey:** So that any of the projections, for example with regard to employment, in this plan exclude the airport. I am sorry to home in on this but I would like to have it very clear. The 31,000 jobs which are mentioned here, there’s not one job there for the airport?

**Mr. Forster:** Yes, in essence that’s correct.

**Mr. Godfrey:** Thank you, good. I was a little bit confused, because the *raison d’être* for the North Pickering project in the first place was the airport. The two came out together with the joint announcement on March 2, 1972. This was to be the airport city which was to house the workers and facilities for the airport, and I am sometimes a little confused as to why we are going ahead.

**Hon. Mr. Rhodes:** Yes, but I think the Toronto-centred region plan was really calling for this sort of community to be developed in that area. There is no question that the airport was part of the stimulus in the area as well, but the reason for North Pickering was not the airport.

**Mr. Godfrey:** I don’t want to contradict you—

**Hon. Mr. Rhodes:** Please don’t.

**Mr. Godfrey:** —but let us read the original statements by the Treasurer. This was a dual package—

**Hon. Mr. Rhodes:** Oh, yes.

**Mr. Godfrey:** —and if you wish to get into the Toronto-centred region plan and the three towns of Audley, Brock, etc. etc., that has very little resemblance to this and that just takes time to go over that argument again and we won’t go over it.

**Hon. Mr. Rhodes:** Right, but I wasn’t at all attempting to indicate that they weren’t announced jointly. They were, because they came on stream I guess at the same time and the airport, in fact, appeared to be a reality, but the North Pickering one itself is not necessarily tied to that airport.

**Mr. Godfrey:** It’s a matter of contention, sir. We will move on.

**Hon. Mr. Rhodes:** Oh, I am sure it will be discussed.

**Mr. Godfrey:** I would like to discuss the general economics of it. This plan was made up before the Henderson report came forth, and I presume that the financial considerations are not going to be contradicted by the Henderson broadsword, because it is a very expensive plan.

**Hon. Mr. Rhodes:** I really don’t think I am in a position at this stage to respond to that one way or the other.

**Mr. Godfrey:** Well, sir, it is a very expensive scheme, I gather. Do we have a total for the project?

**Mr. Wronski:** We know the cost of acquisition of the land. We have some approximation of the total cost, but of course that's very vague because it will depend on the final execution of the programme.

**Mr. Godfrey:** I realize that, sir.

**Mr. Wronski:** It is subject to many municipal approvals and many decisions to come.

**Mr. Godfrey:** But you do have a cost for roads, sewers—

**Mr. Wronski:** Approximate costs, yes.

**Mr. Godfrey:** Could I ask what it is in total? Give me a ball park figure.

**Mr. Wronski:** We can bring them forward to you because these reports do exist. We haven't got them right now.

**Mr. Godfrey:** I realize it is very difficult and I don't want to put you out. Would it be \$1 billion?

**Mr. Wronski:** I just can't comment on that. I don't think it will be that much, no.

**Mr. Godfrey:** I suggest, sir, that we go through the following things: We are talking about a sewer which will link up with the York sewer and, therefore, we have to bear the cost of that sewer which will go to the eastern part of it—that's the furthest away—by 1977; no small amount. We are talking about transport to Toronto, which involves three major arterial roads which involves crossings of the West Duffin, which involves an extension of the rapid transit plan, which also involves other types of relocation of the railroads. Do we have a sum for that?

**Hon. Mr. Rhodes:** I think what we have to consider here is—I am going to go back now to the airport situation as it relates to the provision of some of the services—one of our major concerns about the long-range plans of the Ministry of Transportation and Communications at that time was that there were certain arterial roads which were going to be constructed over a 15 or 20-year span of time. A lot of this was suddenly getting compacted on us—because the airport was going to go in a lot of these services would have to go in that much more quickly. To give a figure on it at this stage, I think, would be nothing less than—well, you pick

one and I'll pick one and either one of us could be right, depending on how quickly they have to go in.

The size of the community as to the number of people, was probably going to be affected by the fact of whether the airport was there or not. The original timing—

**Mr. Godfrey:** The original plan calls for 75,000 people without the airport; all of your figures are based on 75,000 people.

**Hon. Mr. Rhodes:** That's right.

**Mr. Godfrey:** The transportation I have just mentioned, the sewers I have just mentioned, are based on 75,000 people. I am not trying to embarrass you. I realize the difficulty, but you are asking me to vote on an open purse unless you can give me some solid figures. I appreciate the difficulty with planning but you have said 75,000; you then phased it out to 18,000 and so on. I feel it would help me to vote cogently if I had a cost.

**Hon. Mr. Rhodes:** We don't have them here. Can we get those costs immediately? We'll get them before you leave.

**Mr. Godfrey:** For example, in this plan there is a satellite campus of Durham College.

**Hon. Mr. Rhodes:** I'm sorry. The point being made to me is the figures we're talking about in this particular vote have nothing to do with the transportation costs. They're not in this figure. What we're talking about here are the planning costs.

**Mr. Godfrey:** Then are we hiding the transportation costs? And the infrastructure costs? You cancelled an airport because of infrastructure.

**Hon. Mr. Rhodes:** No, the transportation costs would be in the MTC budget.

**Mr. Godfrey:** I'd like to get a general idea.

**Hon. Mr. Rhodes:** We're trying to get the figures.

**Mr. Godfrey:** My main thrust is, is the North Pickering project going to be worth the amount of money put into it? This includes all the money; the same as the airport—was it worth the amount of money being put into it? For example, there is a clear scheme for a satellite of Durham College. I presume that's to go ahead?



**Hon. Mr. Rhodes:** I have no idea.

**Mr. Wronski:** Like most of the planning proposals, it's a suggestion that this could accommodate it and it would be very worthwhile to have it for the number of people both in North and South Pickering and Ajax.

**Mr. Godfrey:** Has Durham College been asked about this?

**Mr. Wronski:** No, except that there were discussions with the educationalists in the area who did say that this kind of expansion, with the population eventually projected, would be a worthwhile one. We are in a very preliminary conceptual planning stage, Mr. Godfrey. We cannot tie up everything for the next 50 years; we won't be here, you know.

**Mr. Godfrey:** I realize that, Mr. Chairman, but my problem is that if you draw a picture and ask me to comment on it, I am immediately constrained to say, what is that? If I see a picture saying Durham College extension, and I was at Durham College yesterday—they're strapped for funds and they're worried about Henderson's report and they want to extend the present campus—and then I say "I see on a North Pickering project that they're going to have an extension out there," it's a little embarrassing. Let us forgive that.

May I ask where the garbage is going?

**Hon. Mr. Rhodes:** I've sent my expert to get you your figures.

**Mr. Godfrey:** All right. We'll ask a non-expert then the next time. Are we sort of bereft of advice while Mr. Forster's out?

**Hon. Mr. Rhodes:** I don't think so. I think Mr. Wronski has something to offer.

**Mr. Godfrey:** Thank you. Possibly we could talk about the land use. I commend the ministry for pointing out how sensitive they are to land use. Was this plan drawn against a grid of the land which showed the types of soil?

**Mr. Wronski:** It was extremely difficult to select the best agricultural land within the total planning area of North Pickering. Mr. Godfrey knows very well that, like most expansions of any city in Ontario, specifically this part of Ontario, the best agricultural land happened to be where the original settlement happened because they happened to be agricultural settlements.

Therefore, what was done is that most of the viable farms—the most viable land—

have been set aside in the 10,000 acres of the agricultural area—the agricultural community—as against the residential urban community which only accounts for about 4,000 to 6,000 acres together with the open space in the river valleys and all the other facilities. What I'm saying is that you may find that in the urban area itself, on the east side of East Duffin, you may find some very good agricultural land. Conversely you may find some not so good agricultural land in the agricultural area, because you cannot design an urban component paying attention to the class 1 land only.

**Mr. Godfrey:** I agree with that, Mr. Wronski. There is an agricultural grid put out by the Province of Ontario which describes the agricultural potential of this area—

**Mr. Wronski:** Yes.

**Mr. Godfrey:** Was that consulted?

**Mr. Wronski:** Yes, indeed. We had the advice—

**Mr. Godfrey:** Could you please tell me how come you have a strip of industrial development along the northern part of the proposed North Pickering project which is class 1 agricultural land?

**Mr. Wronski:** As I said before, Mr. Godfrey, we have to have a certain amount of trade-offs in designing a new community. We have to have agricultural land, we have to have residential land, we have to have industrial land somewhere.

**Mr. Godfrey:** I realize the difficulty. What is your philosophy with regard to trade-offs for class 1 agricultural land? What is worth class 1 agricultural land? I mean, is a factory employing 200 people equal to 100 acres? Do you have a formula for the trade-offs?

**Mr. Wronski:** It is very difficult to describe it at a committee session like this, but nevertheless I think it depends very basically on the priorities we are charged with. If you are trying to create a viable urban community, obviously certain components of that urban community have higher priorities.

**Mr. Godfrey:** I realize your difficulty. I assure you. But aside from being employed by a certain agency, if you were in private practice—you may be, I apologize, I don't know—and somebody came along to you and said, "Do you think this would be a good place to site a project like this, given these factors?" would you say yes or no—your job isn't on the line—

**Hon. Mr. Rhodes:** We won't fire you. Go ahead.

**Mr. Godfrey:** —given the present state of the emotions—

**Mr. Makarchuk:** Plead the fifth amendment.

**Mr. Godfrey:** —over the misuse of agricultural land?

**Hon. Mr. Rhodes:** Or the non-use of it too, by the way.

**Mr. Godfrey:** You had better be careful there, Mr. Minister, because I am going to hit you with some facts in a minute.

**Hon. Mr. Rhodes:** Good. I heard somebody say the other day those facts are not true, but I won't say that.

**Mr. Godfrey:** The facts are always true.

**Hon. Mr. Rhodes:** I know. It was a well-known minister from western Canada who said that.

**Mr. Godfrey:** It could only have been from one province, if you are going to say that.

**Hon. Mr. Rhodes:** How did you know it was Saskatchewan?

**Mr. Godfrey:** Okay. I won't charge you with that any more, sir. The land use here was—

**Hon. Mr. Rhodes:** Excuse me, I want to give you those figures you asked for. They are ball park I suppose, but it's the best we can do.

It is generally expected that for roads and sewers—I am talking about primary and secondary road facilities—it would be approximately \$130 million. For the soft services—schools and what have you—approximately the same, about \$130 million. There is no figure for the regional transit that may be required in the area.

**Mr. Godfrey:** What is rapid transit costing now? Is it \$1 million a mile, or something?

**Hon. Mr. Rhodes:** Oh gosh—it depends if you go into light rail. Again, a lot of the transit concerns were if the airport had been there. It was to get a transit system.

**Mr. Godfrey:** Yes, but we are not going to have an airport, so—

**Hon. Mr. Rhodes:** So it will probably revert to a different form; probably just buses to start with.

**Mr. Godfrey:** I am sorry, sir, we agreed there was no airport in this planning, but the plan includes rapid transit.

**Hon. Mr. Rhodes:** No, I say it doesn't include anything for transit. When I talked about transit I was talking about a bus system, or what have you that a community of 70,000 or 75,000 would expect to have. And probably in the region.

**Mr. Godfrey:** These are here, and we are talking about rapid transit whether the airport is there or not. Projected rapid transit connecting with Scarborough Town Centre is in the plan, and presumably we are going to go ahead on that. And you don't have a price on it.

**Hon. Mr. Rhodes:** In the long range it was expected that Scarborough Town Centre would become an industrial centre as well, and would draw people in there to work.

**Mr. Makarchuk:** If Darcy finds out how you guys are planning to spend the money this position will really go.

**Mr. Godfrey:** The document is very noble—the enhanced production of farm products mentioned on page 6, or around there—may I ask what was in the back of your mind when you mentioned that? Not only would it be better, but we would have enhancement of farm production?

**Mr. Cassidy:** It means bigger ears of corn, doesn't it?

**Mr. Godfrey:** I would point out that you can't do that because that is corn land which has 27 CHUs and produces 130 bushels of corn to the acre, and in the past 20 years it has stood out as highest—I don't know how many times—in national fairs. It is magnificent corn land. Corn feeds cows, gives us beef and milk; but you're going to enhance that production, sir.

**Mr. Forster:** Mr. Chairman, the reference to enhancement means a better use of the land, not producing more per acre on any given acre used for farming.

In conjunction with the farmers on the site and the Ministry of Agriculture and Food, we have developed a farm-lease programme and actually put considerable amount of additional acreage back into continuous farm use since the project was started. There are an additional 5,000 acres on the total site now in farming that weren't in farming in 1971.

[4:30]

**Mr. Godfrey:** I agree and I commend the ministry very much for that. Also as far as the airport site is concerned you will be interested to know there is no land available now; it is all taken up for farming. Land is being turned over there that hasn't been turned over in the last 10 years because it was held by developers. I commend you, and I think we all deserve credit for that.

How are you going to keep up this enhanced production if you are going to cover one-third of this area with city?

**Mr. Forster:** I would suggest that we are not continuing onward and upward. Obviously, the intent was that the best land and the area that contained the better farm buildings and farm units, namely, the area west of the West Duffin, would be retained in agricultural production for at least 15 years. The area east of the West Duffin would be retained in agricultural production where possible until required over the next 15 years for urban growth.

**Mr. Godfrey:** I agree, and I think that's great. You weren't here when we were asking about the agricultural grid which was generated by Prof. Richardson of Guelph University which shows there is a good deal of class 1 and 2 land and also some class 3 in that area east of Duffin Creek. We will let that point go and I won't plague you with that.

May I ask why is the industrial area sited as it is along the north side and along the east side?

**Mr. Forster:** The industrial area along the north is adjacent to the main east-west transportation corridors—Highway 407 and Highway 7—and the proposal there was to relocate Highway 7 along the south side of the industrial area.

**Mr. Godfrey:** And that was the only consideration, not because of the noise from the airport?

**Mr. Forster:** Oh, yes, as I indicated there were some areas of that plan which related to the airport but it made sense for several reasons, and that was one of them.

**Mr. Godfrey:** We take it for granted that that industrial zone along the north side is not there now because of noise.

**Mr. Forster:** That's right.

**Mr. Godfrey:** And, therefore, the present zoning laws which keep that in the restricted zone are not needed. The present noise zon-

ing land freeze is part of the ministry area. We have the map here, and it so happens to coincide with that industrial area. Is that noise zoning or that freeze of land no longer needed? It would not interfere with your plan?

**Hon. Mr. Rhodes:** I just want to say that, if there is no airport there, there is no need to hold the land for a noise zone area. There is no question about that.

**Mr. Godfrey:** That's fine, sir. You have answered my letter, haven't you, to that effect?

**Hon. Mr. Rhodes:** Yes.

**Mr. Godfrey:** Great. I am glad the government isn't going to be embarrassed any more by that noise zone restriction.

Having said that then, does it not seem rather strange for you to put factories along Highways 7 and 407, when the announced intention of the North Pickering project is to take industry away from Toronto? Does that not immediately promote a band of industry going along Highway 7 and going right down into the city because industry usually agglomerates around industry, doesn't it?

**Mr. Wronski:** If I might, Mr. Godfrey, Highway 7 doesn't necessarily go to the city, as you very well know.

**Mr. Godfrey:** Yes.

**Mr. Wronski:** Highway 7 is a fair distance away from the city, to the north of it. An industrial location does require very good access—

**Mr. Godfrey:** I agree.

**Mr. Wronski:** —because of the links it has with areas to the east, as well as areas to the west and south. Therefore, industrial location is predicated on the transportation routes. As you very well know, the whole golden horseshoe industrial location is built on the Queen Elizabeth Way, with its easy accessibility for trucking.

**Mr. Godfrey:** Sure, there would be good roads there.

Are you aware of the fact that the hottest real estate in the province right now is on Highway 7, west of the North Pickering development? Are you aware of the fact that you would have difficulty in buying land there with gold? I suggest to you that somebody is aware of the fact that Highway 7 is



going to be a continuous band of industry if this project goes through.

Let's move on from that.

The city centre—may I ask why it was sited where it is? That's on prime agricultural land.

**Mr. Forster:** If you're talking about an urban area on the east side of West Duffin Creek, then it really doesn't matter whether the location is on prime agricultural land or not. Because you're talking about urban development on that side of the creek. It was located there to better serve the future residential areas, as opposed to servicing the areas outside of the North Pickering community—in other words, it was not intended to be a regional commercial centre. A regional commercial centre would have been located along Highway 407, for example.

It's a central location in the area, and is served well by our proposed arterial road network, which provides access from all parts of the site.

**Mr. Godfrey:** But it does occupy prime agricultural land, whereas third- and fourth-class agricultural land is available down at the southern end of the site.

**Mr. Forster:** Whether you put housing or the commercial centre on it, really I don't see what matter it makes.

**Mr. Godfrey:** Why do you have to put either on it? Why can't you leave it for farming?

**Mr. Forster:** If you're going to plan for a community of this size, you need that total area.

**Mr. Godfrey:** Let's move on from that.

May I ask about the industrial base? It states bravely in here that 31,000 jobs are going to be created, and half of those are going to be for service and half are going to be in the city, presumably. May I ask what industries are now committed to being located in North Pickering?

**Hon. Mr. Rhodes:** I don't believe there are any committed, Mr. Godfrey.

**Mr. Godfrey:** But: "There is little doubt that sufficient manufacturing employment can be generated"—from your text. What is the basis of saying that?

**Mr. Forster:** We have done a number of background studies relating to potential economic growth. The North Pickering site is within the area of economic influence of

Metro Toronto and on the basis of these studies it's indicated that the North Pickering site is one that would be desirable for industrial growth. Therefore, we're postulating that there's an excellent chance.

**Mr. Godfrey:** Will you be offering inducements for industry to go there?

**Mr. Forster:** I don't know.

**Mr. Godfrey:** Scarborough wants industry. Why would they move out to North Pickering rather than go to Scarborough? I agree, your model may be quite true. But could you explain that simple fact to me?

**Hon. Mr. Rhodes:** You probably hit upon a very important factor, Mr. Godfrey. You do have Scarborough on one side and you have Oshawa on the other, both of which would like to see some industrial growth.

Despite the fact they've had an extensive promotion programme, Oshawa has not been successful—they've been losing industry, in fact.

**Mr. Godfrey:** I did detect a tingle in the previous answer that this project was oriented to Metro. Now, this is the first time I've heard you speak—

**Hon. Mr. Rhodes:** No.

**Mr. Godfrey:** Oh, it's not oriented to Metro?

**Hon. Mr. Rhodes:** No. I don't want to paraphrase Mr. Forster, but it seems he was saying that the area would be under the influence of Metro Toronto—that it's here, that the market's here.

**Mr. Godfrey:** It is difficult to assign percentages. How much do you think would be oriented to Metro and how much to Oshawa? And would you cite the studies you have made to prove your point?

**Mr. Forster:** Oriented in what way?

**Mr. Godfrey:** Industrially—the people who work in this area who will be housed in Oshawa or the people who work in this area who will have a base there rather than Toronto.

**Mr. Forster:** In the plan we are proposing, the objective would be that 50 per cent of the people would both work and live in North Pickering. The intent would be to programme housing of various types so that it was available for the various income levels that would be coming in with the industry.

**Mr. Godfrey:** Did you use the same model here on your computer as you used for Don Mills?

**Mr. Forster:** No. I don't think computers were around when Don Mills was being built.

**Mr. Godfrey:** Well, human computers. I heard about this brave new world many years ago, that the workers would live next to their industry and it just didn't work out; but I presume we now have sufficient authority to make 50 per cent of the people work in this area and 50 per cent in the city.

**Hon. Mr. Rhodes:** No, I think you are jumping to that conclusion—for whatever reason, I don't know—but as I understood what Mr. Forster was saying, it was anticipated that 50 per cent of the people in the North Pickering project would work in whatever industry was there. The other 50 per cent are going to work elsewhere. It isn't necessarily Metro; they may well be going into York region to work, because there is some desire to see some industrial growth in that area as well or some job opportunities in York. Others will go to the east to work.

**Mr. Godfrey:** I certainly agree with that, sir, but the problem is that I see all these big roads going into Toronto for which I am going to have to pay. Three major arterial roads, a rapid transit system and railways are all pointed right at Toronto, with an avowed intention of your government to decentralize.

**Hon. Mr. Rhodes:** By the same token those big roads also go to Oshawa.

**Mr. Godfrey:** Fine, sir. There are present roads going to Oshawa—all right, let's get away from that.

**Hon. Mr. Rhodes:** They are not quite adequate.

**Mr. Godfrey:** When you did your computer study of the jobs that would be manufactured here, was it done in terms of taking an ideal community and saying what was needed and therefore we'll generate certain factories, or did you put in to your computer plan the present plans of Ajax, Whitby, Bay Ridges and Oshawa?

**Mr. Forster:** I am not familiar with the details of the way the study was done, but we started off with the total regional employment picture and then narrowed it down; we postulated various scenarios for employ-

ment and tested them, and that was the result.

**Mr. Godfrey:** Did you consider the fact that there still is industrial land available for sale and for rent in those communities?

**Mr. Forster:** Yes.

**Mr. Godfrey:** And can you assure me that that land will be used before this land is?

**Mr. Forster:** No.

**Mr. Godfrey:** Is that very fair to Ajax and Pickering? You know, we have to pay taxes down there too.

**Hon. Mr. Rhodes:** I suggest to you that Ajax is there now. I suggest that you know it's there now.

**Mr. Godfrey:** Yes.

**Hon. Mr. Rhodes:** And Whitby is there now. As for North Pickering itself, you are not going to get up tomorrow morning and find it there; it's going to be down the road a piece. It's a 25-year programme.

**Mr. Godfrey:** I realize that, sir, but these communities are fairly aggressive communities and they have a lot of industrial land that they would like to put on the market. They conducted themselves in a very exemplary fashion. Their debt is very low. They've got good industrial development. Yet here we have a great big North Pickering project, which comes along and says, "From now on, it's mine. What's more, I am going to provide you with rapid transit. I am going to provide you with arterial highways. I am going to give you all of these amenities and you guys can just get along with your little bit of road." That's not fair, and I think it's poor planning.

May I ask, is Highway 7 to be zoned as non-industrial on the western reaches of the North Pickering development?

**Mr. Wronski:** Mr. Chairman, I don't think we can answer that question at this time. It will depend entirely on the regional York plan, which is still being prepared and has not yet been presented to the minister. [4:45]

**Mr. Godfrey:** Thank you. I hope you will make recommendations to that effect then.

**Mr. Wronski:** I am sure we will.

**Mr. Godfrey:** I wonder if I can move on from those details then and ask you a broad philosophical question. On page 6 it says

"only the province is best equipped to co-ordinate the activities of the three regional and three local municipalities in which the site lies"—and this presumably is the basis for creating a separate hegemony here as opposed to leaving it in the present townships where it would normally be. I would point out that this grabs from Pickering the major part of land. At present, I fail to see the justification for saying this should be a separate district, a separate region.

Could you give me the philosophical thoughts behind that so I can tell all the people back there, who are so anxious about the fact that the government has stolen land from them, why it has been done?

**Hon. Mr. Rhodes.** I don't think we can answer it, because to do so you are asking us to admit that the government has stolen land and I don't do so.

**Mr. Godfrey:** I am not saying that, sir. I am saying they said—

**Hon. Mr. Rhodes:** You suggest that we have stolen land—

**Mr. Godfrey:** I am sorry. The question was put very badly. Could you please explain the philosophy that only the province is best equipped to co-ordinate the activities, and implicit with that, expropriating or acquiring the land? Are these municipalities not capable of conducting their own business? Have they a bad record?

**Mr. Forster:** The comment in the report—and perhaps it is badly worded—was intended to indicate the actual co-ordination of development. It was not intended to indicate that somehow this would be lifted from the municipal jurisdiction. Such is not the case. The Act passed earlier this year requires the development corporation to take its plans to the municipalities involved.

**Mr. Godfrey:** I am not quite clear. You mean it isn't going to be a separate region? It isn't going to be administered separately? This is still Pickering township?

**Mr. Forster:** Yes, the town of Pickering.

**Mr. Godfrey:** And it remains Pickering township?

**Hon. Mr. Rhodes:** Yes, it does.

**Mr. Godfrey:** And it remains Osborne township? What does the region of Durham think about that?

**Mr. Wronski:** The region of Durham, both on a political and staff level, are fully aware of the project. Obviously, they have been asked to participate and they have been doing so on the technical level. The actual application to the region of Durham to amend its official plan or to incorporate is pending, and will be produced as soon as possible. As soon as the conceptual plan is approved by the new town development corporation, it will be presented to the region of Durham.

**Mr. Godfrey:** Has the region of Durham approved your plan? Are they happy with it?

**Mr. Wronski:** The region of Durham was not faced with approval of any plan at this stage. Again, because it will be presented to them, they are fully aware of the plan. As a matter of fact, in the choices of development which the region of Durham is now discussing, North Pickering—that is the new community—is incorporated in them.

**Mr. Godfrey:** You have had direct contact with the region of Durham and they say, "We are delighted; proceed"?

**Mr. Wronski:** We have conflicting views; let's put it that way.

**Mr. Godfrey:** Yes, you have damn conflicting views. What does the city of Oshawa say about it? Do they want it?

**Hon. Mr. Rhodes:** I think the city of Oshawa and the region of Durham have publicly stated what their position is as the result of the cancellation of the airport.

**Mr. Godfrey:** No, no, no, Mr. Minister.

**Hon. Mr. Rhodes:** Oh yes, yes, yes, Mr. Godfrey. Both of them made a statement immediately after the cancellation of the airport that they were very happy with it. I recall very vividly the mayor of Oshawa was quoted in the press as saying he was going to try to get the airport started again. You have got another one to go after now.

**Mr. Godfrey:** Oh, I think you can take care of him.

**Hon. Mr. Rhodes:** I'll leave him to you. You are closer.

**Mr. Godfrey:** Mayor Potticary of Oshawa is now firmly opposed to the proposed development project, North Pickering.

**Hon. Mr. Rhodes:** Oh, yes, sir. That's correct; I don't think there's any question about it. And I am sure that you know full well the



reason is the very things that we have talked about. It was the cancellation of the airport in the mind of the mayor of Oshawa, and I might say I think in the mind of the mayor of Scarborough.

They anticipated a large industrial growth and job opportunities to be developed around that airport. Now they are concerned that the Pickering townsite may very well draw away industries that (a) Scarborough would like to have at their town centre and (b) that Oshawa would like to have in Oshawa. That's their opposition. They would love to see the airport go again.

**Mr. Godfrey:** I won't quarrel with you on that, sir. I think we have spent enough time on the airport. But the initial premise—the first question I asked you—was: Is North Pickering going ahead, regardless of the airport cancellation? Now, you've admitted that those two communities are very unhappy about the North Pickering project because of that. Are you going to persist in going ahead?

**Hon. Mr. Rhodes:** At this stage, yes.

**Mr. Godfrey:** May I ask what has been the response to Mr. Irvine's letter, which went out with the brochure?

**Mr. Forster:** There have been only a few responses.

**Mr. Godfrey:** Could you detail them?

**Mr. Forster:** No I can't. I didn't bring the information.

**Mr. Godfrey:** You mean to say that a project involving a \$260 million base—that's regardless of everything else—a project involving a possible threat to three or four major municipalities by putting industrial development in there—a project which involves lots of agricultural land, has only got a few responses?

**Mr. Forster:** Mr. Chairman, I think it's reasonable to say that there has been a lot of input in the planning of this in the past and this was the result of it. I don't think that a lot of people would consider it appropriate to add anything more. They will have the opportunity to consider the plan in detail when it goes to the municipal councils for amendment to the official plan.

**Mr. Godfrey:** That's great then; I commend you on that. If there is opposition from three or four municipalities—Oshawa,

Pickering, Ajax, Stouffville—will the North Pickering project be dropped?

**Hon. Mr. Rhodes:** I don't think I can give you an answer to that.

**Mr. Godfrey:** Let me put it hypothetically. Are you so far along the line that you are now committed to it, regardless?

**Hon. Mr. Rhodes:** I don't think I can answer that either at this stage.

**Mr. Godfrey:** I would suggest—and I realize you are a new minister sir, politically naive on North Pickering.

**Hon. Mr. Rhodes:** Thank you very much; that's a nice compliment.

**Mr. Godfrey:** But there is a great deal of objection to this project. There's a great deal of concern that it is going to fatally damage our industrial projects in the lower part of the community of the area. Certainly, representing Ajax and Pickering, we've got a good scheme going out there. And Whitby has a lot of serviced, unoccupied industrial land. And you can tell me this is going to be 25 or 30 years away, but I'm sorry, you know that does have an effect. And I would implore you to give second thought to bulling ahead with this project.

It started originally with 25,000 acres and because of people protesting it's now been cut down to 8,000 acres. I suggest you may even want to consider further revisions to your plans in order to satisfy, particularly, the communities to the east. I am concerned that this project is a Toronto project. It goes out to Toronto. You can quibble a little bit about Scarborough being happy about it, but it is not helping Oshawa and it is not helping Whitby.

**Mrs. Bryden:** I wanted to talk about our new towns which are covered by items 5 and 6 of this vote. I think it was back in the 1967 election that the then Premier, Mr. Robarts, came out during the campaign with a promise for new towns all over the province; a great new vision. But several years later we appear to have ended up with three prospective new towns, as covered by these votes.

The thing that disturbs me is that they seem to have been chosen, not after study of location or need, or of where new towns should go, or even of what new towns are all about, but were chosen through external events—namely, the choice of an airport site.

I think the decision of Stelco and Texasgulf to build new plants south of Hamilton is really a lesson how not to develop new towns. I hope that the ministry will look at that lesson in future planning.

They presented very serious land acquisition problems because they appeared to be located in areas of prime agricultural land. And, willy-nilly, some of that land had to be taken over if some of those towns were going to be proceeded with.

There was also the problem that it was very high-priced land and there appeared to be some evidence that some of the land changed hands rather rapidly beforehand, bidding up the price and making it even more expensive. There were hundreds of millions of dollars spent on the land acquisition. I think that kind of expenditure should not have been made without much more study of what we were buying and what we were buying it for.

I don't know whether any officials of the ministry attended the York University conference on public land ownership which concluded just a week or so ago. There was a paper by Prof. Neil Roberts of Osgoode Hall law school which gave a brief analysis of some of the new-town activities of the provincial government. On the land-acquisition question he concluded the problem of having to acquire it secretly meant that the local municipalities were not consulted at all. He said there were obvious reasons for this. I'm quoting from him now:

Assemblies of this size depend on secrecy to keep land prices from shooting up. But the setting is so ripe for corruption or for ill-thought-out purchases that it might pay to establish some high-level civil service team to give guidance to where land might be purchased.

I'm not sure whether Mr. Roberts has the answer to the problem. But it certainly is a very serious one, and I think the ministry should be addressing itself to how to make such purchases without these dangers.

The other things that these new-town developments have illustrated are: A very serious problem which the ministry hasn't fully looked into—the whole question of how to develop community involvement—I know that they've made various experiments in North Pickering; I'm not sure what is being carried on in Townsend and South Cayuga. Also, the planning of the type of new towns—both with community involvement and at the ministry level—seems to me to still require a great deal of development.

For instance, what kind of a social mix do we want in the towns? I think the North Pickering plan does suggest age groups but it really hasn't gone into the kind of social mix that is required in the kind of town they are envisaging.

An even more fundamental question is what is going to be done with the land that is acquired? What kind of disposition is envisaged? That whole book on the North Pickering plan gave no suggestion as to whether the land would be leased or sold, and to whom it would be disposed of. I think that at the York University conference there was a great deal of opinion there that public land should never be sold, that it should be leased. Certainly that has been the position of our party for considerable time. But the ministry in the North Pickering plan seems silent on this subject. I would like to know the minister's view on what appears to be the consensus of the conference.

**Hon. Mr. Rhodes:** I can answer you right now, Mrs. Bryden, on that one. I don't accept the philosophy that land should be leased and not owned. I think people should be able to own land, and not have everything owned by the government and leased out according to the government's wishes.

[5:00]

**Mrs. Bryden:** I'm just talking about new towns at the moment. You have a whole new ball game there. You start out with owning all the land so the question is, are you going to sell it off and have any community betterment that accrues to that land from development go to the individual developer who buys that land, or are you going to have that shared by the community?

It's a question of philosophy of what happens to the betterment that comes from the community development.

**Hon. Mr. Rhodes:** I suppose in the case of a new town you can use both approaches—some would be sold; some would be kept in public ownership and perhaps leased for whatever purpose. I don't think you can pull the whole community under either full lease or full ownership. You use both.

**Mrs. Bryden:** Have you any specific plans for North Pickering, as to how much would be kept in public ownership?

**Hon. Mr. Rhodes:** Mr. Wronski, you are involved.

**Mr. Wronski:** If I can help the committee. As I mentioned before we are at a compara-



tively early stage of the planning programme, although it might appear to people who are as profoundly involved with it as Mr. Godfrey, that it has been a long time.

Nevertheless, the question of land disposition—actual details of development—are not pinned down at this stage. We've still got a long way to go—through municipal approvals, provincial approvals, environmental assessments, all kinds of problems which will result in detailed planning and detailed land disposition.

However, in order to assist the government, we have created two independent panels—composed of a cross-section of industry, government, financial institutions and client groups—which very shortly will prepare reports containing their ideas of how the new-town disposition should be handled. This will be part of the general considerations the government will have when we enter the implementation stage and are ready to consider the actual methods and policy of land disposition.

**Mrs. Bryden:** So no decision has yet been made.

**Mr. Wronski:** No, because obviously we are in far too early a stage to even discuss this.

**Mrs. Bryden:** Prof. Roberts has suggested that our new towns, since we have them willy-nilly, present a unique opportunity for combining planning, with public ownership. It is something that we don't always get the opportunity to try.

**Mr. Wronski:** We realize that, and we are pleased that we have the opportunity.

**Mrs. Bryden:** And he suggests that you could have different goals as part of your planning—that is, the question of recapture of the community betterment and redistribution. Which means that if you allocate the leased land to people of different income levels, you can achieve some redistribution of income through that land being allocated for moderate- and low-income housing.

**Hon. Mr. Rhodes:** I wonder, Mrs. Bryden, if I might ask a question of you for my own clarification. A little earlier you mentioned the government having some control over the social mix in a new town. Could you explain exactly how you feel this might be done? Quite frankly, I don't understand how the government would be involved in creating the social mix you're referring to.

**Mrs. Bryden:** It's largely predicated on the housing mix that you provide—whether there

is a certain amount of moderate- and low-rental housing—and also on the employment mix. So many new towns tend to be one-level towns or dormitory towns, and I think that that's undesirable.

**Hon. Mr. Rhodes:** I won't disagree with your thinking. I think all communities would like to have that sort of social mix for their own sanity.

**Mrs. Bryden:** When you are starting from scratch you have the opportunity.

**Hon. Mr. Rhodes:** That's the difficulty of it. I've had some experience with a one-industry community starting from scratch. A mining town starts out as a mining town, and you have a very difficult time getting that social mix. If it happens to be a steel-based town, it starts out as a steel town; it is very difficult to get a social mix. It comes in time, but to orchestrate it at the beginning is very difficult because of the types of talent, the types of professions and trades. You need more trades at the very foundation of the thing. I think Mr. Makarchuk mentioned earlier in his remarks about the Nanticoke region, how it was going to develop and how it will start off—first with construction workers being in there. In developing the new facilities for Stelco, you are going to have almost one level, perhaps one or two levels, to start with. I'm sure it comes in time.

**Mrs. Bryden:** Are you planning other industries to go in there as well in time?

**Hon. Mr. Rhodes:** Oh yes, eventually I think they will.

**Mrs. Bryden:** It seems to me these are certainly areas of planning that the ministry should be looking into before it sort of rushes ahead on disposing of the land in these new towns.

I have just one or two specific questions, Mr. Minister. First of all, in the Townsend and South Cayuga communities, is there a planning consultant firm involved, similar to the one that was in North Pickering, or is it being done by ministry planning groups?

**Hon. Mr. Rhodes:** Yes, there will be a consulting firm involved in Townsend—but that consulting firm has not been selected as yet.

I should mention Cayuga; of course it is pretty well in abeyance now—just sitting back. It was decided recently that Townsend should proceed first. Land for Cayuga is being held by Government Services and it is being used for agricultural purposes.



**Mrs. Bryden:** When do you expect to appoint the consulting firm?

**Hon. Mr. Rhodes:** That should be very soon, because the preliminary work has all been done. It's just a matter of appointing the consulting firm now. In fact, I think quite frankly that the papers are lying on my desk right now. Between the rent review and estimates, I haven't had much time in that office lately.

**Mrs. Bryden:** With regard to North Pickering and the North Pickering Development Corp., I noticed you added five new people to it recently, including Irving Paisley. According to his biography, he is listed as a developer. Is there not a danger that Mr. Paisley will have a conflict of interest in that position?

**Hon. Mr. Rhodes:** I have no idea who Mr. Paisley is. I don't know when that appointment was made.

**Mrs. M. Campbell:** You should know. Mr. Wronski knows.

**Mrs. Bryden:** No, I am sorry; I guess the announcement was before you were the minister.

**Hon. Mr. Rhodes:** I don't know who Mr. Paisley is. I don't know any unsavoury characters, do you?

**Mrs. M. Campbell:** I was not suggesting he was unsavoury.

**Mrs. Bryden:** Here is the official press release:

Irving Allan Paisley, president of Irving Paisley Insurance Services Ltd., Pelmark Developments Ltd., and Spanview Investments Ltd. He has had a varied career at the municipal level, including controller for the borough of North York, acting mayor; chairman of the Municipality of Metropolitan Toronto Transportation Committee; chairman of the board of health, borough of North York; and controller in charge of parks and recreation.

**Hon. Mr. Rhodes:** No, I really am not familiar with that particular gentleman or his background.

**Mrs. Bryden:** One of the other appointments was a real estate person. Is there not a danger of conflict of interest in appointments of this kind, of people who are actively involved in either housebuilding, house buying, house developing?

**Hon. Mr. Rhodes:** I think these people have a certain amount of expertise to contribute—and perhaps I don't look for this sort of thing in people; I don't always think that people have to have a conflict of interest. Perhaps you do have that concern. I like to think that people will go in and do a job as community-minded citizens, regardless of what their particular profession or their business may be. Good Lord knows that there is quite a cross-section sitting in the Legislature—if you see some great shadows behind everybody, I am afraid I don't have that attitude about these things.

**Mr. Cassidy:** Just class interest.

**Hon. Mr. Rhodes:** No, it is not class interest. I'll tell you, you have a tendency in your group, unfortunately—and I think it is regrettable—that everybody who doesn't run around wearing one of your brown and orange buttons has something wrong with them. And I don't really feel that way.

**Mrs. Bryden:** Supposing you were offering land to developers, and Mr. Paisley's firm wished to bid; he would presumably have to absent himself from any of the deliberations in awarding land in that particular case.

**Hon. Mr. Rhodes:** I would have to assume that these people are prepared to accept these responsibilities and they will know and have the integrity to move themselves out of these positions of conflict. My goodness, it occurs within our own municipal councils regularly. If we don't throw the rascals out, they will be—

**Mr. Makarchuk:** However, the chances are still there, aren't they, Mr. Minister?

**Hon. Mr. Rhodes:** Oh my goodness, there is chance in everything we do.

**Mrs. Bryden:** I just wanted to conclude, really, by quoting Mr. Neil Roberts from his paper on public land ownership. He said:

If the government is going into the land development business [and it appears to have in these three cases] it must do so in such a way as to capitalize on its planning and public information monopoly and to make a choice between redistribution or recoupment of housing profits. A decision for either of these aims requires not an accommodation of the private developers in the area, but a conscious usurpment of their functions.

I must say I tend to agree with Mr. Roberts on that statement. I don't know how the

minister reacts to it. It's a very new role for government.

**Hon. Mr. Rhodes:** I think Mr. Wronski would say that is one of the objectives of the developer—quoting from Prof. Roberts. Mr. Wronski, do you want to comment?

**Mr. Wronski:** I could speak at length about the objectives.

**Hon. Mr. Rhodes:** Go ahead.

**Mr. Wronski:** It is a unique opportunity for any government to produce a most viable community, which doesn't present itself every day to any government in any country. I have been involved in new town developments in Britain and I am quite convinced now that any government of Ontario will proceed on similar lines. Any profit accrued through community action in that new community will be ploughed back into that community, and will produce as much as possible the most sensible social and economic mix which we can readily put into a new community so it is viable and vibrant and pleasant to live in.

**Mr. Makarchuk:** With someone like Irving Paisley running it—you've got to be kidding?

**Mr. Wronski:** He is not the only person who will make the decisions, Mr. Makarchuk.

**Mrs. Bryden:** Thank you, Mr. Chairman.

**Mr. Makarchuk:** What do you keep him around for?

**Mr. Cassidy:** I want to take up just where Mrs. Bryden left it, because I want to ask you a couple of questions relating to the development which was talked about today, north of Steeles Ave. and west of Yonge St. Is the minister aware of any studies that are going on within the Ministry of Housing or in other ministries about the use of first class farm land for housing?

**Hon. Mr. Rhodes:** Is there a concern?

**Mr. Cassidy:** No, are you aware of any studies taking place in your ministry or other ministries about the use of class 1 and class 2 farm land for residential purposes?

**Hon. Mr. Rhodes:** A total study? I'll have to pass to Mr. Wronski as to whether there are any studies going on of any large scale on the use of farm land.

**Mr. Wronski:** There are ongoing studies all the time by the Ministry of Agriculture and Food. But I think I would like to attempt to describe to you that any expansion, any

accommodation of growth within any area in Ontario—specifically this part of Ontario we live in—we'll have to encroach on agricultural land. Historically, our settlements were built on our best agricultural land. Therefore any addition to any growth—whether it is pre-planned, wild or whatever it may be—would have to involve trade-offs between agriculture and urbanization, and it is inevitable.

**Mr. Cassidy:** Mr. Minister, one of our problems with what the chief planner says is the feeling we've had, at least with the political level of the government, that there has been no understanding of those particular trade-offs but a completely uncritical approach to the use of class 1 and class 2 land. What kind of land is involved in the \$4,000 to \$5,000 per acre development in Vaughan township north of Steeles and west of Yonge, which the ministry is now involved in helping to get off the ground?

**Hon. Mr. Rhodes:** Mr. Wronski.

**Mr. Wronski:** I can't answer in detail, I have not seen the actual proposal. I don't know what the land classification is there. I can only presume, admittedly, that it's fairly good agricultural land.

**Mr. Cassidy:** What population is projected for that particular area?

**Mr. Wronski:** I don't know. I can't answer that in detail.

**Hon. Mr. Rhodes:** According to the Globe and Mail, 80,000. Have you got the article?

**Mr. Cassidy:** No. Is the minister aware of any conflicts with the COLUC plan—the Central Ontario Lakeshore Urban Complex plan—given the fact that over the past 20 years Steeles Ave. has been the limit to northward growth of Metro and has been a limit which has been stoutly adhered to by the Ontario government? Now you are changing the policy. Is that not in conflict with the COLUC plan; and why are you doing it? [5:15]

**Mr. Wronski:** May I answer this, Mr. Minister?

**Hon. Mr. Rhodes:** Yes.

**Mr. Wronski:** Steeles Ave. has indeed been a very solid boundary of urban development, but that was a boundary which was created by the capacity of Metropolitan Toronto sewers. The regional municipality of York, as well as both the TCR and COLUC, does provide for quite a considerable expansion



north of Steeles Ave. The present population of that area is barely 100,000 people. TCR itself, before the refinement by COLUC, projected it to at least 250,000 to 300,000 people. Therefore, obviously growth will take place from Newmarket down to Steeles Ave.

**Mr. Cassidy:** If growth is going to take place to the tune of 150,000 people in a 20-mile band across the northern part of Metro, north of Steeles Ave., and if 80,000 people are going to be put into one area which is only 2½ miles wide just west of Yonge St.—two or three concessions wide—then that means you are setting the stage for an increase in population not of 150,000 but of more like 400,000 or 500,000 in that area north of Steeles. Is that not correct?

**Mr. Wronski:** If you take the figures the way you put them, Mr. Cassidy, that would appear to be so. Your arithmetic is quite correct. But COLUC itself, as a refinement of the TCR, did project a much higher figure for the expansion north of Steeles Ave.

**Mr. Cassidy:** I am suggesting that it looks to us very much like just urban sprawl and nothing more. It's off you go again, and suddenly the barriers at Steeles Ave. are opened up. The services are there and off we go; of course, that is basically what the ministry is doing.

I have another question related to this. Perhaps the minister would have some estimates on this. Can the minister say, given the fact that the land has been protected from development for a long time through lack of servicing and through government policy and has, therefore, been acquired, one would imagine, at relatively low prices by the developers who apparently hold most of it right now, how much would the government expect the developers will make by the ministry's decision now to allow development on those 4,000 or 5,000 acres?

**Hon. Mr. Rhodes:** We haven't made any decision. We have made no decision on this particular project. My understanding is that this consideration of the proposal was started about 1½ years before the programme that we now have of assisting with the studies even came into being. So there was no decision made on it. This study is being done.

**Mr. Cassidy:** I am sorry, Mr. Minister, but you have opened the door now and you are not going to shut it. That would appear to—

**Hon. Mr. Rhodes:** I haven't opened any door at all. I take it you have read the article, or if you haven't found it read it. The article

indicates that the officials are starting a series of information meetings and that what we have done — as we will do for any other municipality in the province—is offer to supply them with funding for their study. When the study is completed then that's the time, of course, that decisions are to be made. The study doesn't mean it is going to be approved.

**Mr. Cassidy:** Can I ask this then, Mr. Minister? Given the fact the central York servicing scheme is going to make the area developable—there has been that barrier, as Mr. Wronski says, in the past—and given the fact that the stage is being set for changes in official plans and so on in order to permit development in that particular area, why does the government not move in in order to ensure that the land is publicly acquired first before the services are in the ground and the changes in official plans and zonings and so on are carried out, so that the increase in value of the land which will obviously result can be used by the public to either reduce the cost of the houses as they come on the market or be used for the public purposes?

**Hon. Mr. Rhodes:** Do you want to comment?

**Mr. Wronski:** I will try, Mr. Minister.

**Mr. Makarchuk:** "Start worrying" philosophy, that's what it is.

**Hon. Mr. Rhodes:** It's not much of a philosophy at all, frankly.

**Mr. Makarchuk:** It's a great philosophy.

**Mr. Wronski:** It has simply not been the policy of the government, as I know it, to acquire land for this particular purpose. We are involved in land acquisition, admittedly, for several reasons. We are involved when we have to build a new town to respond to several conditions, both external and internal, as we have described them to you before. We are also involved in land banking in order to affect the market prices when we sell the land back at book value, at the cost to the government. We certainly are not acquiring every piece of land which is in the path of development. At least, that is the way I understand the government's policy.

**Mr. Cassidy:** Mr. Chairman, that's the way I understand the government's policy as well. It just happens that I disagree with it.

**Hon. Mr. Rhodes:** Well, that's obvious.

**Mr. Cassidy:** I want to change the subject now and talk a bit about Pickering because



I think there are some very serious questions which have been raised about the way in which the ministry proceeded to acquire land in Pickering back in 1972.

If you recall, the government moved in initially and decided to try to acquire land by negotiations. It wasn't for another year and a half or almost two years that it took the expropriation route. The consequence was that at a time of very rapidly rising prices there were grave disparities between the prices paid to those people who agreed to a ministry purchase and those paid to people who waited for expropriation.

One case concerned a lady I met personally; a person named Heather Dinsmore, who lives on lot 17, concession 4 in Pickering township. They had five acres of land and a bungalow which they bought for \$32,000 in March, 1969. It was obviously a dream home at the time; I gathered that Mrs. Dinsmore's husband was a salesman in a modest occupation. They were not of the rich, horsey set you find in certain parts of the outlying areas outside of Toronto.

The family had suffered the—

**Hon. Mr. Rhodes:** Like the one next to you?

**Mr. Cassidy:** He has never ridden a horse in his life.

The family happened to have had a series of tragedies; a couple of grandfathers, a father and an uncle had died in the space of four months. They were under pressure from the negotiator. They felt they had to sell and, in fact, the government negotiator said: "Don't wait for expropriation. You will lose—"

**Hon. Mr. Rhodes:** I have to interrupt. You cannot sit here and say that, in fact, a government negotiator said that because you don't know what was said. You weren't there. I think it's absolutely wrong for you to sit here in this forum and say that in fact that happened because you don't know whether that's true or not.

**Mr. Cassidy:** All right, Mr. Minister. What I want to say to you is I think there are grounds for a public inquiry into the way that land was acquired at Pickering over those two years. The information we have is that there were appraisals which were inadequately and unprofessionally done; that there was pressure brought by negotiators on people to sell. There were all sorts of abuses of the power of government; misrepresentations, lack of information and there

were promises given to people which were not fulfilled.

When people like Mrs. Dinsmore, who sold their house for \$45,000, and then stayed for a while because they had some hope they might be able to stay if the plan didn't happen to hit their particular house, turned around and tried to buy equivalent accommodation in the hamlets once the government had made the policy of leaving the hamlets protected, they found the government was not offering them property at the price levels which had prevailed at the time they had sold but was offering them property at current market values, which represented increases of \$20,000, \$30,000 or \$40,000.

In certain cases, even when they tried to buy property which they occupied, they found the policy of the government was not to sell back at the government's cost but was to sell back including every possible conceivable cost the government could add in—interest cost, holding cost, maintenance costs, disturbance-to-bureaucrats cost; you name it and it was there.

In this particular case, the Dinsmores happened to have five acres. They sold their total property for \$45,000. They stayed because there was a two-year right to stay, rent-free, which was given by the government. Not long after, they became aware that scrub land within a stone's throw of their house was being sold for \$12,000 to government authorities.

In one case I think it was to the Ministry of Transportation and Communications. It was some land just outside the Pickering negotiation area which was needed for some kind of highway interchange. In another case, it was land which was actually being acquired for Pickering itself.

I don't have sympathy with all of the people who have been negotiating with the government because they have been quite able to look after themselves. In certain cases people who have taken the expropriation route have fought every step of the way and used the devices open to them under the law, have seen the offers made to them by the government, before eventually going to the land assessment tribunal, double, treble or quadruple. In one case it went from the area of around \$100,000 or \$150,000 to \$300,000 or \$400,000 for certain parcels of land.

But that kind of situation, adequate for those people who had the resources to fight, has been totally unfair, I would suggest, for the people who were weak, the people who

had the less solid hold on their land, the people who were naive enough to trust the government and the people who, as a consequence, got cheated.

Mrs. Dinsmore, like many in the community, was enraged by the treatment they had. I am sure you are aware of that from what Mr. Godfrey and others had said. She went before the cabinet in February of 1974—the minister may have been there—and she said there had been misrepresentation. The reaction of the ministry was to say: “Oh, you mean there’s been fraud.” They sent an OPP in. The OPP carried out an investigation that lasted for a year or two. Every time she tried to raise the matter again, they said: “Oh, we can’t do anything. The matter is sub judice.” This just wasn’t so. They were being led down the garden trail; and of course month after month, the government was using every technique it could to sidetrack these protests of people I think were illegitimately treated.

In this particular case, the Dinsmores were eventually offered a half acre—a 100 by 160 ft lot, that’s a third of an acre—in Brooklin, a community which may also come down if the airport is ever built, for the price of \$75,000, which is just \$30,000 more than they had sold their property for. In two years of rent-free accommodation there is no way that they could have saved up \$30,000, particularly since Mr. Dinsmore’s income was in the area of \$14,000 or \$15,000 a year.

I have some quotations in our notes here about the assurances that have been given to them by Bill Davis, which are totally useless. Since the house is apparently to be eventually demolished, they said: “Look, give us the top floor. We’ll give you \$1 for it if we pay the removal costs.” The ministry had refused to remove the whole house because the bottom half was made of concrete block. It was a raised bungalow. The ministry said they could have salvage rights to the top of the house for \$18,000. This is in a case where the five acres of land, at the prices being paid in the neighbourhood, would be worth well over what was being paid to the Dinsmores for the entire property.

If you talk to Mrs. Dinsmore, as I have, you wonder how many other people are in her situation; not big powerful people, not the horsey-type people who maybe can afford to fight, but ordinary people who got embroiled in this.

She says: “Either Mr. Davis knows or he doesn’t know; or he doesn’t want to know

or he just doesn’t care. We tried to cooperate and be decent people. We only asked to be treated fairly. Now we have lost three years, thousands of dollars, peace of mind and our way of life.”

They bought a place they couldn’t afford up in Brooklin. They didn’t know whether to move up there or to stay back in the house in hopes of getting it back. I believe the family at one time tried to go to Muskoka and came back. They have had three years of turmoil within their family, all created by the ministry. As they say, it is the sense of this government’s lack of integrity in dealing with decent people.

The Ombudsman is looking into this, Mr. Minister, but it seems to me that it isn’t just one case of Mrs. Dinsmore, which I have chosen in order to dramatize the situation. There are other people there. Some of them are afraid to speak. Others are beyond speaking. There have been deaths which have been caused, in families which found themselves being pushed around by the ministry you have taken over.

I just ask, Mr. Minister, are you willing to have a public inquiry into this particular situation in order to satisfy the people who have been mistreated and in order to ensure that if your ministry goes in to acquire land for an airport or a new town or something like this again, that you deal fairly with everybody involved?

There has not been this kind of situation with the federal government’s expropriation of the North Pickering land. Nobody likes the technique they used; which was to say, one day: “We’ve got a public project which justifies taking it over and here is the expropriation order that we have filed at the court house.”

At least, it ensures under the federal or provincial expropriation laws that we have right now that everybody is treated fairly in the matter of value. But the technique the minister used was that weak people were treated unfairly and strong people got their due and possibly more than their due. What are you going to do about it?

**Hon. Mr. Rhodes:** The first thing I am going to ask you is—I don’t know. I have a very even temper most times. Mr. Cassidy but I think for you to sit here and make statements like you just made, accusations that I hope you can back up—

**Mr. Cassidy:** I can.

**Hon. Mr. Rhodes:** —that people have actually died. You can say that? That death



has been caused to individuals as a result of what has occurred there? Because that is what you said.

**Mr. Cassidy:** I said that people who have been—

**Hon. Mr. Rhodes:** You have said—it's on the record now and I hope to read it back. I just think it's—I don't know how you can sit in your seat—

**Mr. Cassidy:** I am not a doctor and I cannot give a medical opinion.

**Hon. Mr. Rhodes:** That's right. I don't think you should make these statements, which is nothing more than pointing the finger at people, accusing them of things. I know some of your colleagues did the same thing a few months back in connection with some other incidents where accusations were made. I think it's wrong for you to do that. Now I will just drop that because I feel strongly about it.

[5:30]

**Mr. Cassidy:** An inquiry would establish whether that is right or not; and it would establish what is left.

**Hon. Mr. Rhodes:** It is atrocious for you to make that sort of comment and I will drop it because I want to go into something else you said, that people have not been treated equitably. I believe people must be treated equally and I would like to look into this whole situation and find out exactly what has transpired, what sort of methods were used. Then I'll respond to your question of what I am going to do about it.

**Mr. Cassidy:** Is the minister willing to make a statement in the Legislature before we adjourn at Christmas on this particular matter?

**Hon. Mr. Rhodes:** I don't know. I would like to take a look at this whole situation and find out what has happened. But I do think—before I leave this subject—that you have overdramatized your position and the position of people involved.

I'm not suggesting that some of these things that Mrs. Dinsmore has referred to didn't happen, but I think it is absolutely wrong for you to suggest that people who work for this ministry are responsible for people having died. I think it is wrong for you to have said that. There are a lot of people here involved in this sort of thing and I don't think it's fair to point the finger of accusation at any one of them, or collec-

tively. I tell you, if I was the minister of that day, I would have—

**Mr. Cassidy:** The instructions to the people there were to get the land, and that was it. It has been established on the record, in court hearings for example, that there were appraisals there that were inappropriate, were misleading and were wrong, because they were not professionally done.

**Hon. Mr. Rhodes:** You have made all these accusations involving all these points. I say to you that these are questions I think worthy of finding answers to and looking into.

**Mr. Cassidy:** I suggest that the people who have been most wrongly treated are people who one way or another signed an agreement. One of the matters the ministry will have to look at when you consider this is whether in order to provide fair treatment, particularly to the people who are still there, the ministry will be willing to reopen the agreements in the same way that the federal government reopened its agreements with people who were affected by the federal airport expropriation.

**Hon. Mr. Rhodes:** I will look into the matter.

**Mr. Cassidy:** Will the minister agree to make no further removals of the people affected, or evictions of the people affected, until he has made that statement and reached a decision about these cases?

**Hon. Mr. Rhodes:** No I will not. I told you I will look into the matter and I will determine what action I will take.

**Mr. Cassidy:** That's not fair.

**Hon. Mr. Rhodes:** Well it's as fair as you've been and I intend to stand by my position.

**Mr. Cassidy:** No, that's not fair, Mr. Minister.

**Hon. Mr. Rhodes:** Do you want to debate back and forth from now to 6 o'clock whether it is fair or not?

**Mr. Cassidy:** We could do. I could just say that a number of people have to go at Christmastime, which is awfully soon. I have looked through Mrs. Dinsmore's file of material and I have talked with her. What I say with an emotional tone is just a fraction of the kind of feelings that have been generated in people in that area who have had to deal with what they see as a juggernaut of big government which has borne ab-



solutely no regard to their legitimate needs or interests.

**Hon. Mr. Rhodes:** Mr. Cassidy, I don't believe that people should be misused by government or agencies of the government. I don't believe that, and I never have believed it. If something has been done that's wrong, I will be glad to look into it and attempt to rectify any problems and wrongs that have been created. But I must say to you I do not accept as being gospel everything you say.

**Mr. Cassidy:** That's fine.

**Hon. Mr. Rhodes:** I would like to look into it. I'll make no commitments to you or anyone else until I have.

**Mr. Cassidy:** I have a couple of other points—not questions—that I want to put on the record. The first is in relation to the minister's responsibility for publicly-owned land and his responsibility as the minister who approves official plans. There is a real conflict in the Ottawa area because the regional municipality has decided to give a low priority to Carlsbad Springs land owned by the federal and provincial governments. The former Minister of Housing, Mr. Irvine, said that 'over his dead body'—or similar words—would he change that original official plan. He favoured the use of developer-owned land in the south Whitby and the south Gloucester area. He made his position clear even though he is meant to be the arbiter over the regional official plan which is now before you, Mr. Rhodes, as the minister. There is a possible conflict of interest there.

I would draw to your attention such things as the statement—in the transportation study on the implications of the alternative regional growth areas—that there would be a saving of \$100 million to \$200 million in transportation costs alone if the Carlsbad Springs area were given high priority over any other development area.

**Hon. Mr. Rhodes:** I'm sorry, which study is that?

**Mr. Cassidy:** This is the regional municipal document on the transportation implications of the various options.

**Hon. Mr. Rhodes:** Produced by the region?

**Mr. Cassidy:** Yes, within their particular plan. They say that if you go for Carlsbad Springs first, you will save \$100 million to \$200 million in transportation on your capital

costs over any other of the growth areas that are projected around the borders of regional Ottawa-Carleton.

Mr. Irvine said that he didn't like Carlsbad Springs, he didn't like publicly-owned land and he thought you should go with the developer-owned land. The issue is before the minister right now, and it's going to be fought before the OMB.

I would also say that I'm sorry we haven't had a chance to talk about citizen involvement in the planning process, but I'm sure we will have that opportunity soon.

Thirdly, we're concerned with the fact that almost nothing was spent last year under the neighbourhood improvement programme—\$3 million was budgeted and only \$160,000 was spent. You're not getting the money out.

Too much bureaucracy surrounds the programme. There are real problems at the local level with NIP, with RAP; and as the minister knows with ORP. Under the Home Renewal Programme, which is your ministry's responsibility, your statements indicate that up until June, 1975, only 120 loans were complete and 500 or 600 had been authorized. That meant that the actual money authorized was no more than about \$3 million out of the \$10 million that was meant to be in the municipality's hands by March of 1975.

It just ain't working Mr. Minister. It seems to us that if there's a commitment to renewal, which is a valuable way of ensuring that housing becomes available and housing doesn't go off the market, that you ought to be working an awful lot faster than that.

**Hon. Mr. Rhodes:** I want to comment on that last part. I have been in touch with several municipalities to find out why this programme hasn't moved along faster. Almost unanimously, they told me they didn't have staff available to make the evaluations that are required.

I've tried to encourage these people. I've tried to get them moving and get their money there—some of them haven't expended their 1974 moneys.

The amount that's been expended under ORP, at least from my ministry, is \$17,195,274.

**Mr. Cassidy:** Most of that is sitting in municipal bank accounts.

**Hon. Mr. Rhodes:** That's right. To the best of my knowledge it is.

I've talked to some of the municipalities. They say: "We've got the money but haven't been able to move it." I say to them "Look, get moving, do what you can."

I'm going to have to call mayors and administrators of some of these communities to get people into the area to expedite it; because I think it's a good programme and I think it can do the job. But some money has got to be spent.

**Mr. Cassidy:** Right. Okay, thank you, Mr. Chairman.

**Mr. Chairman:** Mr. Wildman.

**Mr. Wildman:** I got here just in time.

**Mr. Chairman:** Your name's on the list.

**Mr. Wildman:** I wanted to bring up a couple of questions. In regard to your statement earlier, Mr. Rhodes, regarding the Soo north and the possibility of a developer moving in I think, that's a good thing.

**Hon. Mr. Rhodes:** I'd better qualify that for you, or you'll get thrown out of your caucus. It's not a developer moving in.

**Mr. Wildman:** No, I'm not finished either.

**Hon. Mr. Rhodes:** All right.

**Mr. Wildman:** If we can't go to municipally-owned parks within the realm of the city, or provincially-run ones in unorganized territories, I hope that if it were in the private sector we could ensure that the operator of the park was not also a mobile-home retail sales person, because I think that is an unhealthy situation.

The other topic I brought up earlier, and it was then suggested it was in another vote. I think this really fits into planning because it deals with rural planning in the north, and the specific problem in connection with native housing. I want to make a couple of comments on the rural and native housing programme, and I would like to hear your analysis of it.

It is a difficult problem. I am not sure what role the ministry plays, because I know you are involved with the Métis and non-status Indian association.

**Hon. Mr. Rhodes:** I'm just making sure I have the right bodies here for you.

**Mr. Wildman:** Okay. The Métis people and the non-status Indian people obviously don't get the same kind of federal government aid the treaty people receive. In many cases they are unwilling to move into other communities

in the area, so provision has been made to try to help them develop housing in rural areas. Many of these people, because they don't receive the same kind of aid as the treaty people, are living in appalling conditions on the edges of reserves.

I visited a number of them during the campaign and found just terrible conditions—people living in houses which are not much more than shacks, many of which do not have adequate plumbing, those that do have plumbing often do not have good water pressure, they have leaking roofs and very little insulation and so on.

Sort of a self-help programme involving the native community is being started to try to set up corporations so that they can build their own houses. I want to know what your input and your involvement is in this programme. There are three specific areas in my riding—but it is a problem all over the north—Michipicoten Harbour; Garden River, which is a special situation because there you have non-status people living on the reserve; and then Cobden township, near the Mississauga reserve.

There's a particular problem at Cobden. The people there are attempting to set up a programme to build houses. I believe the programme only operates in communities with fewer than 2,500 people, and apparently the planning branch has set up somewhat of a roadblock to the development because they say they don't want expansion of the Blind River area into Cobden township; they would prefer to have the expansion in Blind River. The problem is that Blind River is larger than 2,500 people, so as a result the plan will not go ahead if it is to be in Blind River. So there seems to be a problem there of co-ordination between this programme and the planning people.

I am not going to take very long because we don't have much time here, but I would like to know what your input is into the programme, what you can tell me about the particular situation at Mississauga and Cobden township, and what you see in the future as impetus for this programme to go ahead and to be moved ahead quickly, because I know there have been some holdups in certain areas like Michipicoten and so on where it doesn't seem to be moving anywhere.

**Mr. Rose:** Mr. Chairman, there are two programmes operated in the north. One is the Northern Ontario Assisted Housing Programme, which is run by the Ontario Housing Corp., with provision of rent-geared-to-income housing. The second programme is the rural housing programme, which I think

the member is interested in. That is a programme wherein the corporation and the ministry, in conjunction with Central Mortgage and Housing Corp., have entered into an agreement whereby Central Mortgage and Housing Corp. is the active partner, and the administration and operation of the programme is done by CMHC and much of their work is done through the Ontario Métis and non-status Indian association. They select the community and, working with the native groups, deliver housing; which is primarily ownership, it's an ownership-oriented programme.

I'm not aware of a particular planning problem in the areas that have been mentioned by the member, however. That is, in essence, the programmes.  
[5:45]

**Mr. Wildman:** Excuse me, can you tell me, or check for me, since CMHC is the active partner, what role does your planning branch then have in the development of such communities?

**Mr. Rose:** The approval of subdivisions would be the normal planning role. I gather these are unorganized territories in many instances, and therefore they would rest with the planning branch.

**Mr. Sargent:** Do you use Indian help?

**Mr. Wildman:** Yes.

**Mr. Rose:** Yes, that's the idea.

**Hon. Mr. Rhodes:** The one question that was asked that was of interest to me was the fact that we had two situations. Funding was available to communities of 2,500 or less, and yet the planning branch was encouraging going into the larger municipality where the programme wouldn't apply.

**Mr. Wildman:** Yes, they would prefer not to spread out into Cobden, they would prefer it concentrated in the town. That's my understanding of the situation.

**Hon. Mr. Rhodes:** I'm sure this is out of your realm. Mr. Wronski, can you respond to that?

**Mr. Wronski:** I don't think I can respond to the member right now. I can provide the information at a later date. I'm not aware of the facts.

**Mr. Wildman:** I would appreciate that.

**Mr. Wronski:** I'll find it out.

**Mr. Sargent:** Is Indian labour used in this?

**Mr. Rose:** Yes, there is. They work through the native group.

**Mr. Wildman:** I would appreciate it if you could give me information about that particular problem at Cobden, near the Missis-sauga reserve. Also, what information could you make available to me about the Batchawana Corp., which is carrying out a similar programme in Batchawana?

**Mr. Rose:** I think in Batchawana, if I'm not mistaken, there's an official opening coming up, if not today, tomorrow. I believe it's Nov. 28 or Nov. 29.

**Mr. Wildman:** There are some problems involved.

**Hon. Mr. Rhodes:** Is this a home for senior citizens?

**Mr. Rose:** It's a rural housing programme in Batchawana.

**Mr. Wildman:** That's right.

**Mr. Rose:** It's my understanding the official opening is at the end of this month.

**Mr. Wildman:** That's fine. I'll cut off. I don't want to use up other member's time.

**Hon. Mr. Rhodes:** I think you and I should have a private meeting on that one.

Vote 802 agreed to.

On vote 803:

**Mr. Chairman:** We'll continue with vote 803. Shall 803 carry?

**Mr. Makarchuk:** I have one minor question of the minister on 803. When I asked you whether Brantford will be designated for OHAP, you said you might have an answer on Thursday. Today is Thursday.

**Hon. Mr. Rhodes:** No, I wasn't going to answer you on OHAP. You asked me about the railway relocation.

**Mr. Makarchuk:** And OHAP as well.

**Hon. Mr. Rhodes:** I can't give you an answer on OHAP, but I can give you an answer on the railroad relocation.

Vote 803 agreed to.

On vote 804:

**Mr. Sweeney:** Are you two in cahoots?

**Mr. Chairman:** We have been taking the votes collectively. Shall we do the same with vote 804, or shall we break it down?



**Mr. Makarchuk:** Why don't we take it collectively, items 1 to 5?

**Mr. Wildman:** It is political bias. He wants to do it collectively.

**Mr. Chairman:** Probably with the time limit on it, we might be wise to take it collectively. Mrs. Campbell on vote 804.

**Mrs. M. Campbell:** I want to address myself, if I may, to the matter of the Ontario Housing Corp., and particularly to start off with the reconciliation statement which was provided to us. As I recall it, there was a supplementary estimate for Ontario Housing and I don't have the figure here, but I believe it was something in the neighbourhood of \$103 million.

I would ask you to look at the reconciliation statement and look at the transfers from OHC which were an attempt to explain what I still feel, and our caucus feels, was a very misleading statement. This was discussed earlier on by both Mr. Singer and, I think, Mr. Hall. I didn't address myself to it because they handled the subject very well.

I am talking now about the reconciliation statement, which was provided as a result of the raising of the question as to whether the original reporting was not misleading. If you look at the transfers from OHC, they are in substantial amounts. I would like to know, in view of the fact that we're talking about audits; legal; part of planning and research; information and special services, which is a peculiar project; and the North Pickering one. Is this an indication, first of all, that the government is developing a new philosophy with reference to Ontario Housing? Is it indicating that we are phasing out some of the activities of Ontario Housing? I would like that answered first.

**Mr. Crosbie:** Mr. Chairman, the answer to this is that with the establishment of the new ministry, a number of organizations were put together. They did not create a new support service area for the new ministry, rather they used the support service units that were in existence in the Ontario Housing Corp. In an initial reorganizational study of the new ministry, to get it off and running, a decision was made to transfer to the ministry a number of the common support services, such as the legal services, communication services, and planning and research. These units were removed from OHC and placed directly within the ministry, and the funds that had been allocated for those units were then transferred into the general

administration of the ministry rather than being OHC funds.

**Mrs. M. Campbell:** Fine. Could you tell me the present role of OHC, having in mind this kind of transfer?

**Mr. Crosbie:** This transfer didn't affect the role of OHC at all.

**Mrs. M. Campbell:** It didn't affect any of its functions either?

**Mr. Crosbie:** No, because the services provided by these units remained within the ministry, and they continued to supply the services to OHC—

**Mrs. M. Campbell:** To OHC, yes.

**Mr. Crosbie:** —and to other units of the ministry that required them. There was a general pulling together of information services and legal services from the various units that went to make up the ministry.

**Mrs. M. Campbell:** Has there been any change in procedures in the acquisition of land by OHC, following the figures which we presented to indicate the methods OHC has used in South Milton, for example? I go back to the inflated prices, which we feel were paid, and the fact that OHC of course did not deal with the farmers there. I think somebody from the NDP—I don't recall who it was—said the other day that the question indicated we did not want fair prices to prevail. That wasn't our position, as you will recall.

What happened was that you had what we can only view as speculators who managed to be clairvoyant enough to come in and purchase the land from the farmers, then in turn transferred it to OHC—in one case, making a profit of 100 per cent in one month. Has anything been done about these procedures with OHC?

**Mr. Riggs:** Mr. Chairman, as a result of a government review of acquisitions and by most ministries, there was a government policy that the Ministry of Government Service would require land—

**Mrs. Campbell:** Dear God.

**Mr. Riggs:** —for most agencies and most ministries—with the exception, I believe, of MTC and another ministry—including the Ontario Housing Corp. The rules of the acquisition are somewhat as follows. The Ministry of Government Services, when in negotiations, must obtain three appraisals, two of which must be independent. They

must negotiate on the basis of these appraisals with the purchaser and the land cannot be purchased without these procedures being followed.

**Mrs. M. Campbell:** So we can now at least assure ourselves that there will be no more acquisitions of land without any appraisals?

**Mr. Riggs:** Yes.

**Mrs. M. Campbell:** I see.

**Mr. Sargent:** Are the minutes of these board meetings available?

**Hon. Mr. Rhodes:** What's all this interruption?

**Mr. Chairman:** Mrs. Campbell has the floor.

**Mr. Sargent:** I should be allowed to ask a question.

**Mr. Chairman:** Are you finished, Mrs. Campbell?

**Mrs. M. Campbell:** No, I'm not.

**Mr. Chairman:** Mrs. Campbell has the floor.

**Mr. Sargent:** I'm helping her, Mr. Chairman.

**Mr. Chairman:** I realize that.

**Mrs. M. Campbell:** Mr. Chairman, I will put a motion in the interest of time, having in mind our very grave concerns about the operation of OHC as it was conducted. There is the fact that we asked that certain information on some of these transactions be tabled in the House and that inadvertently, even when we asked for that, all of the material on the acquisitions was not tabled in the House—I put it at its kindest when I say inadvertently—some of the material was missing and we had to dig further to get it.

And so, Mr. Chairman, I now move that the minister table the books and records, including the minute books, of Ontario Housing for the past five years so that members may have the opportunity of studying in detail what has been going on in this agency because in the members' opinion it is, or ought to be, a matter of public record.

**Mr. Chairman:** Mrs. Campbell has made a motion. I believe the assistant is taking it down but I can't read her shorthand. I'm afraid before I put this motion I would have to check it out to see if it is in order, be-

cause I believe this committee has been charged with the responsibility of approving the spending of these estimates. I would have to check to make sure whether this—

**Mrs. M. Campbell:** I have not for one moment suggested by that motion that we are interfering in any way with the moneys allocated in the estimates. There was no part of that in my motion.

**Mr. Chairman:** I understand that, Mrs. Campbell, but I feel the responsibility charged to this committee is to approve those estimates. Therefore, I am not certain whether or not your motion is in order.

**Mr. Makarchuk:** It would appear to me that in approving estimates one would have to have certain information which is related to the estimates. What Mrs. Campbell is doing in this case is trying to elicit information which impinges directly on the money we are approving. I would be prepared to second her motion in this case.

**Mrs. M. Campbell:** My problem is that I understood we had some commitment that we were going to take only an hour on the other vote. I regret that I cannot be back tonight and I would not like to have my motion lost as a result of my inability to be present to vote.

**Mr. Sweeney:** If time is of the essence, I would be quite prepared to move Mrs. Campbell's motion later this evening so you can clear—

**Mr. Sargent:** Put the question now.

**Mrs. M. Campbell:** But you have to have the vote.

**Mr. Sweeney:** You have the question in lieu of your checking?

**Mr. Kennedy:** The chairman made a judgement and we should respect his opinion.

**Mr. Chairman:** Again, it's up to the committee but I feel I should check and make certain if the motion really is in order before this committee.

**Mr. Sargent:** Mr. Chairman, speaking to the motion, I appreciate your caution in this regard, but I think you could call for the question and have this decision made by the committee. Then you can check out what the powers of the committee are and see if this would be acceptable. I don't see why you can't do that.

**Mrs. M. Campbell:** Don't doubt me.

**Hon. Mr. Rhodes:** I doubt everybody.

**Mrs. M. Campbell:** When we were talking earlier about people being on committees, you said you don't doubt people, you believe in them.

**Hon. Mr. Rhodes:** Especially you.

**Mrs. M. Campbell:** You can't have it both ways. Do you especially doubt me?

**Hon. Mr. Rhodes:** No, I especially believe you.

**Mr. Sweeney:** The motion still stands.

**Mr. Chairman:** If it's all right with the committee, I'd like to check over the supper hour to see if it is in order for this committee to put such a motion.

**Mrs. M. Campbell:** How do I get my vote recorded, Mr. Chairman?

**Hon. Mr. Rhodes:** Mr. Chairman, I would offer this as a thought to you and to other members of the committee. I do believe this particular type of motion must be placed in the Legislature. I don't believe it can be placed in committee. I think that should be checked.

**Mrs. M. Campbell:** It is a procedural motion; that can be put to a committee at any time.

**Mr. Hall:** I'm not sure this is all germane to the subject at hand. The ministry has been trying to provide us with information. If there's more information maybe we can do away with the vote and have the ministry volunteer the information.

**Hon. Mr. Rhodes:** No, the ministry will not volunteer the information, so you will require a vote of some kind.

**Mr. Chairman:** You must realize that when the vote is called in committee the report goes back to the Legislature and then it would be voted on in the Legislature.

**Mrs. M. Campbell:** That's right.

**Mr. Chairman:** If it's the desire of the committee, I can certainly call the vote. However, if you'd like further discussion on the motion, we could discuss the motion further after 6 o'clock.

**Mr. Makarchuk:** I would move the previous question, Mr. Chairman; I would move that it be put now.

**Mr. Eaton:** I think we should discuss it further to see if this motion is legal or not.

**Mr. Sweeney:** Call it and check it later.

Interjections.

**Mr. Chairman:** I did suggest earlier, and it is after 6 o'clock now—

**Mr. Sargent:** Mr. Chairman, I say very sincerely that if we cannot take this type of action what the hell are we sitting here for? It's as simple as that. We have all these man-hours going to waste. If we can't find out information when this member wants answers and cannot get them, what are we sitting here for? I think we should have the question.

**Mr. Mancini:** It's after 6 o'clock, Mr. Chairman.

**Mr. Makarchuk:** Mr. Chairman, the question has been called. It's not a debatable issue, let's have the vote.

**Mr. Eaton:** It's a debatable issue. We have to see whether the motion is legal or not.

**Mr. Chairman:** I've been asked to put the question and I've also been asked by members of the committee for further discussion on the question. I realize, if it is in order, I could call it, but I have some doubt as to whether the motion is really in order.

**Mr. Sargent:** I know you're trying to be fair, but this committee asked for the question and I think we should have a vote on it. Then you can determine whether or not they will allow it.

**Hon. Mr. Rhodes:** I don't think that's correct. I am here to go by what the committee directs, and I will certainly abide by what the Chairman rules on. The only thing I suggest to you is that the committee should not put a motion and vote on it until it knows whether or not in fact the motion can be put. We're coming back this evening and Mr. Sweeney has agreed he would present Mrs. Campbell's motion. I think we can deal with it at that time.

**Mr. Sargent:** I call that stick-handling.

**Hon. Mr. Rhodes:** You can call it what you will. I don't have any control over the committee, I'm just offering that opinion.

**Mr. Chairman:** With the indulgence of the committee, I really feel I should seek further assistance on this matter during the supper hour.

It being 6 p.m., the committee took recess.



## CONTENTS

---

Thursday, November 27, 1975

Community planning programme, concluded .....	S-625
Housing Action Programme .....	S-654
Housing development programme .....	S-654
Recess .....	S-657

## SPEAKERS IN THIS ISSUE

---

Bryden, M. (Beaches-Woodbine NDP)  
 Campbell, M. (St. George L)  
 Cassidy, M. (Ottawa Centre NDP)  
 Eaton, R. G. (Middlesex PC)  
 Godfrey, C. (Durham West NDP)  
 Hall, R. (Lincoln L)  
 Kennedy, R. D. (Mississauga South PC)  
 Makarchuk, M. (Brantford NDP)  
 Mancini, R. (Essex South L)  
 Newman, B. (Windsor-Walkerville L)  
 Rhodes, Hon. J. R. Housing (Sault Ste. Marie PC)  
 Sargent, E. (Grey-Bruce L)  
 Sweeney, J. (Kitchener-Wilmot L)  
 Wildman, B. (Algoma NDP)

### Ministry officials taking part

Crosbie, D. A., Deputy Minister  
 Forster, J. L. Director, North Pickering Project  
 Riggs, R. W., Assistant Deputy Minister, Housing Development  
 Rose, J. B. S., General Manager, Ontario Housing Corp.  
 Wronski, W., Assistant Deputy Minister, Community Planning



Government  
Publication

# Legislature of Ontario Debates

**SUPPLY COMMITTEE**

**ESTIMATES, MINISTRY OF HOUSING**

OFFICIAL REPORT — DAILY EDITION

First Session of the Thirtieth Legislature

**Thursday, November 27, 1975**

**Evening Session**

Speaker: Honourable Russell Daniel Rowe  
Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1975

## CONTENTS

---

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, MGS, 9th Floor, Ferguson Block, Parliament Bldgs., Toronto, M7A 1N3. Phone 965-2238.



## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

---

THURSDAY, NOVEMBER 27, 1975

The committee resumed at 8:07 p.m.

#### ESTIMATES, MINISTRY OF HOUSING (concluded)

**Mr. Chairman:** I call the meeting to order. Before we adjourned at 6 o'clock, we had a motion on the floor. The Clerk has just gone to get the motion so I can't read it to you for a moment, but I did say before we adjourned that I would check into this matter and see if this committee had the power to proceed with the motion. I've looked very carefully at the records of the House and I notice the motion placed by Mr. Welch on Oct. 28, 1975, and seconded by Mr. Deans, only gave us power to consider the estimates of four ministries. During all other previous sessions, I notice that the House did give power to this committee. I would just like to read this:

All standing committees shall report from time to time their observations and opinions on the matters referred to them with power to send for persons, papers and records.

However, that was not in the motion which was passed by the House on Oct. 28 and, because of this, I just wish I had the motion to read to you again. It will be here. In case some of you were not here it was a motion asking that the minutes and records of the Ontario Housing Corp. be tabled before this committee.

**Hon. Mr. Rhodes:** For the last five years?

**Mr. Chairman:** Pardon? Yes, for the last five years.

**Mr. Sargent:** Can't that be eight years?

**Mr. Eaton:** The estimates are only considering the estimates of this year anyway, so you're getting beyond it.

**Mr. Kennedy:** If we have to look at a lot of books for five years between now and 10:30, we're going to be pretty busy.

**Mr. Sargent:** We know where to look.

**Mr. Wildman:** This is not open to debate.

**Mr. Chairman:** I would like to inform the committee, after looking over the motion placed before the House, I feel it is my duty as chairman to rule the motion out of order.

**Mr. Sweeney:** Mr. Chairman, I've done a fair bit of thinking over the break too, and I would have to stay with the decision I made earlier. That would be, if necessary, to introduce the motion. I'm not quite sure what the procedure is, whether it's to challenge your decision or whatever it is, you will have to give me some guidance there. I really do believe the issue at stake here is twofold. The first one is that we're being asked to consider certain appropriations. We have reason to believe that the financial implications behind some of these appropriations may not be what we think they should be.

Secondly, I think that in the not too distant past, there were certain—I can only think of the word "allegations"—that were made with respect to OHC's purchasing procedures. Perhaps we owe it to OHC, and perhaps to no one else, to find out whether or not these allegations were accurate. On that basis I feel very strongly that this should be looked into, that that motion should stand, and if you can tell me how I challenge your ruling, I would be pleased to do so.

**Mr. Bullbrook:** That's how you do it. All you do is just challenge his ruling. You can't debate it. You just have to challenge it.

**Mr. Chairman:** The only way that that can be done is that you advise the Chair that you appeal the ruling of the chairman.

**Mr. Sweeney:** I do so appeal, Mr. Chairman.

**Mr. Eaton:** It's not the same procedure as in the House.

Interjections.

**An hon. member:** You don't have that kind of an appeal in committee on the ruling of the chairman.

**Mr. Chairman:** I have discussed this matter with the Clerk's office and I understand that that is the proper procedure to appeal the chairman's ruling.

**Mr. Bullbrook:** May I ask you a question? Do you mind? I realize I am not a member of the committee but I have been a long time interested in the procedure of the assembly and the committee. I understand your ruling to be based on the strictures placed upon you as a result of the actual wording of the motion which is not in conformity with the normal wording of the establishment of the committee and its past history.

**Mr. Chairman:** That is correct.

**Mr. McEwen:** In other words, Mr. Chairman, there is no precedent for the motion that is put before you. Is that right?

**Mr. Chairman:** I beg your pardon?

**Mr. McEwen:** There is no precedent for the motion that is now presented. Do you rule that that's out of order?

**Mr. Kennedy:** So it would mean, Mr. Chairman, then you will need to go back to the House because you read the terms of reference under which this committee operates and regardless of any judgement with respect to the appeal here, it means that really, in effect, it is an appeal from the order that was handed to us under which we were to examine the estimates.

**Mr. Chairman:** That's right, Mr. Kennedy, and when I place this to the members of the committee, this would mean that the minister would then decide whether he would table the minutes. If not, then automatically the committee will include this in its report to the House.

**Mr. Eaton:** Mr. Chairman, he is challenging your ruling. That has got nothing to do with the minister. He is challenging your ruling.

**Mr. Sweeney:** Mr. Chairman, may I make a clarification here? The reason I asked you to help me do this properly, and the reason I am doing so, is that I would understand that the directions you got inadvertently would have left this particular procedure out.

**Mr. Roy:** We don't know if it was inadvertent.

**Mr. Sweeney:** I understand the Chairman to say that in most other times the wording is as he read it and for some unknown reason the wording of our direction is different this time. It is along that line that I want to challenge it. I am saying I don't think it is right that the directions which were given to this committee, if it is to do the job it is expected to do, should be different from those usually given to estimates committees.

**Mr. Bullbrook:** May I make a suggestion?

**Mr. Sweeney:** If you can help me out of that, I want to get at that point. I am sorry I must—

**Mr. Drea:** Mr. Chairman, how can you bring in something that you voted on in the House?

**Mr. Chairman:** I will read the motion. I think we just have to take it by the proper steps:

Moved that the ministry table books of records of Ontario Housing Corp. for the last five years, to have the opportunity to study in detail what has been going on in this agency, as it should be a matter of public record.

**Mr. Bullbrook:** All right, you are going to have to make two decisions, if I may suggest. One is: We can't debate your ruling, right? And my colleague might want to reconsider the question of the challenge because it is quite obvious that his intention wasn't in any way to challenge it but to seek a clarification.

If I might make a suggestion: It seems to be the feeling of the committee, as I see it, and the feeling of the members, that they want to have the same opportunities that were afforded to estimates committee in the past. It might well be that the committee would want to consider a motion to ask you for additional directions from the Legislature as to its intention as to whether it wants to give the committee power in the future to do what it has given committees power to do in the past.

[8:15]

I might suggest that, but the problem, I think, that we also might well come to grips with, is the question of the propriety of the motion relative to the estimates. After you get down to the question of whether the Legislature will give you power or not, one has to wonder as to what your decision will be. In other words, getting the power might be academic in the context of the motion as it's framed. Frankly, I would be very doubt-

ful that it is within the ambit of the estimates committee to look into the records of the past five years.

**Mr. Sweeney:** Mr. Chairman, could I have clarification, please? It was my understanding, prior to coming in here tonight, that the wording that you gave before—I got this from another source—was the normal kind of wording that estimates committee get. In other words, to requisition papers, documents, reports and so on. This is a normal kind of procedure. That is what I am protesting against. We should have that—

**Mr. Drea:** Surely this isn't the place to protest that. There was a vote taken in the House, and it was carried unanimously. Go upstairs.

**Mr. Chairman:** Yes, I feel that is correct, because it certainly wasn't in the motion.

**Mr. Roy:** The problem, of course, is that all of this can turn out to be very academic. We have only this evening to consider the estimates, haven't we? Any powers that we might seek from the House at a later time are not going to do us any good here tonight. I would suggest that we get on to voting on the challenge or whatever and get into these estimates, because we have only got until 10:30, I believe.

**Mr. Chairman:** Yes, 10:30.

**Mr. Eaton:** Mr. Chairman, did you read the previous terms of reference? They didn't say "requisition", did they?

**Mr. Drea:** Yes, they did.

**Mr. Chairman:** Yes, with the powers—

**Mr. Makarchuk:** Mr. Chairman, I wish we would stop beating around the bloody bush. Let's start doing something around here.

**Mr. Sweeney:** Mr. Chairman, I would be prepared to withdraw my challenge and replace it with a motion that you go back to whoever gave you the directions for this committee—

**Hon. Mr. Rhodes:** The House gave the directions.

**Mr. Sweeney:** The House—go back to the House and ask for the right to include those other aspects that you mentioned.

**Mr. Chairman:** Any member has the right to do that, I believe. I don't think it's really the duty of the chairman to do that. Any member has that right.

To bring this to a head, because there is a lot to discuss, do I understand you wish to withdraw the challenge or the appeal, or not?

**Mr. Sweeney:** If the statement I just made can be done, I would withdraw the challenge under those circumstances.

**Mr. Chairman:** I don't really feel this committee can do that. We have a motion before us, and I ruled on it; you have the right to appeal it or not.

**Mr. Sweeney:** Excuse me for taking the time, but do I understand you correctly to say that any member may go to the House and ask that the terms of reference of this committee be changed? Is that what you are telling me?

**Mr. Chairman:** You may file a notice of motion for the production of any papers, yes.

**Mr. B. Newman:** The estimates wind up tonight.

**Mr. Roy:** That's the problem.

**Mr. Sweeney:** We don't have the time.

**Mr. Kennedy:** You can still draw it to the attention of the House.

**Mr. Chairman:** It doesn't affect the challenge. You have the right at any time to file a notice of motion for the production of any papers.

Interjection.

**Mr. Sweeney:** It doesn't have to be tied in to this committee?

**Mr. Chairman:** No.

**Mr. Sweeney:** I withdraw my challenge then.

**Mr. Sargent:** Are we on vote 804?

**Mr. Chairman:** Yes, now we'll continue with vote 804.

On vote 804:

**Mr. Drea:** I will be very brief. I just want to ask Ontario Housing about a specific problem in a specific locality which, in terms of their planning for the future, I hope has been corrected; nonetheless, the situation exists in at least a couple of areas in my riding and the planning didn't take account of it. I am referring particularly to the Gordonridge project, which is a very substantial one, at Midland and Danforth Rd.



in Scarborough. It is approximately 1½ miles in any direction from any reasonable shopping, particularly in terms of food. It also happens to be the type of project where, because of the construction being highrise, there is an abnormally high ratio of disabled people living alone.

There are some proposals being made by the borough of Scarborough that they would be prepared to make a special rezoning to allow a supermarket or a particularly large food retail store—this is the big problem—to be established in conjunction with that particular area, whether it was done in basements or whether it was done contiguous to that. We also have there a special relationship for the borough of Scarborough, because when that project was built there was a recreation centre built there, and since then the corporation has turned it over to the borough of Scarborough to run.

Because of a great number of difficulties there—the main line of the CNR runs behind it; there's a configuration of roads to the side of it; there are schools and other premises built up all the way to Eglinton Ave. and the transportation isn't very good—this is providing a very acute hardship on a great many middle-aged and older people. The only food store is a little variety store across the street, where the prices are approximately 40 to 45 per cent higher per unit than they would be at any of the supermarkets 1¼ miles away.

I realize the difficulties there are for a public corporation to allow a commercial enterprise into the premises, because of the fact that there's different taxation, construction costs, etc., and planning in the future won't alleviate this particular problem, because of the particular nature of the place. I think there's better than 3,000 people residing there. I wonder if you would take a look at it in conjunction with the borough of Scarborough. They are going to have to make some substantial changes in their zoning and they are prepared to do so if they could work out an arrangement with Ontario Housing for the area.

**Mr. Riggs:** I think the senior staff at OHC are aware of some of the problems. In answer to your specific points, in some of the projects in Metro and in other cities, we have been able to put commercial facilities in by segregating out the costs. If we can work with Scarborough in this particular one, I can assure you, so long as they are prepared to rezone, we'll make facilities, or at least make the ground available for appropriate market facilities for people there.

In terms of transportation, we'll look into that one, and in terms of anything else that we can do, we'll review the building, the programmes, and whether the facilities of the disabled are appropriate because we do have funds as you know, sir, to adopt any of the units to their specific disabilities.

**Mr. Drea:** The units are fine. It is when you leave the unit that the difficulties begin, because of the location.

**Mr. Riggs:** We will look into it and get back to you on it and any specifics that we may be able to achieve, month by month.

**Mr. Drea:** Okay, great. There's just one other thing, and this concerns the fragmented nature of the cable television industry in the borough of Scarborough. It's very fragmented. It's a piecemeal arrangement. There are a number of people particularly in two of your larger projects—the one on Gilder Dr. and the one at Gordonridge—who cannot get cable TV. Unfortunately, they live in a particular receiving area where, because of the proximity of CFTO, if you want to get any more than channel 9, you've got to have cable.

I understand that the corporation is in negotiations with the cable companies. I also understand that the two particular companies involved are being extremely belligerent about it. They want a very high price in terms of a monthly rental from these people. In view of the fact that your present minister is the former Minister of Transportation and Communications in this province—and this province has always felt that we had some role to play in cable TV—I wonder, if you come to a dead end with those cable companies, if you would consider appealing through our Ministry of Transportation and Communications to the Canadian Radio-Television Commission to try to break this impasse?

It seems to me that the people in those two projects—again you are talking somewhere around 4,500 people—are being held up as pawns by private operators to try to get an appropriate private apartment rate in that area. They're using the fact that there is the concentration in those two places which are run by the corporation to try to achieve those ends. One of the units at Gilder is a highrise and, once again, the ratio of disabled and senior citizens is extraordinarily high.

These people really have no other entertainment in that they're relatively far away from other places and this continuing impasse with the cable operators really is a

hardship on them. I understand the position of the corporation—I think you're entirely right—but it seems to me that somewhere along the line this impasse with the cable operators has to be broken.

If the appropriate body is the CRTC then I think we should go to them under the auspices of our own Ministry of Transportation and Communications. Otherwise, wherever there is a large Ontario Housing rental development, we're going to be in the situation in which the people there become pawns used by the cable operator to see what he can get in the particular area with private highrise and condominium units.

**Mr. Rose:** Mr. Chairman, there are two issues here. One is this particular cable company we've been attempting to negotiate with. We have been unsuccessful over the last four years in getting this company to agree to our proposal. There's a new element which has entered into it and that is the recent CRTC ruling which requires the basic service to include 23 channels rather than the 10 or 12 normally carried on the set.

This issue plus the issue of the particular carrier in this area—and there are other areas in the province—we are now discussing with the Ministry of Transportation and Communications and with the CRTC. I appreciate the point made, that we must get the cable service for the tenants who are living in those buildings, but I'm sure the member will appreciate that we've got to get as good a price as we can.

**Mr. Drea:** No, I don't think it should be more than \$1. I understand your position entirely. The cable companies are tending to hold up that particular kind of development and they are using the people in there as pawns to get a much better rate or to force private apartment owners in the area to maintain an abnormally high rate in comparison with the rate which I think is fair for the work they do in the instant, because your buildings are built for it. There is very little cost of installation.

**Mr. Rose:** The bulk of our units do have contract cable at \$1 or \$2 per unit per month. This is the one hold out. We will attempt to negotiate with them. I would like to repeat again that the CRTC and the Ministry of Transportation and Communications are aware of what we're doing.

**Mr. Sweeney:** Mr. Chairman, I think we agreed earlier that we could sort of go anywhere in this vote, is that right?

The point I would like to address myself to first of all is the whole business of the

ministry being involved in serviced land and putting serviced land on the market. It is my experience in my own community that one of the major problems we're facing right now in trying to break the circle of high-cost housing is to get at the circle of high-cost serviced land. I have spoken to builders, politicians, purchasers—as broad a cross-section as I can—and I keep coming up with the same point time and time again. We've got to somehow break that cycle.

Yet just a couple of days ago we had described to us a situation—I believe it was in the municipality of Brantford—in which your ministry was servicing land and putting it on the market through a HOME programme. The book value of that property was somewhere, I believe, about \$9,600 per lot. The market value in that area was \$18,000 per lot and, as I understand the procedure you go through, the purchaser would pay the book value initially and take a second mortgage back for the difference between the book value and the market value.

[8:30]

I also am aware—and I think this has probably been brought to your attention a number of times if we can use another specific example—that in the **Malvern project**, in the general Metro area, a number of years back your ministry purchased land, I believe, in the neighbourhood of about \$800 an acre. I won't quarrel with that particular figure but I think it was somewhere in that particular area. That particular land also is in the process of going on the market and in fact has gone on the market, where building lots range from \$22,500 to \$36,000 a lot. My understanding is that your book value of that property is roughly one-third the value of the market price for that land.

It strikes me, if the Ministry of Housing is going to be continually making reference to the market value, whereas it has within its own power some way of putting land on the market at a book value or cost value, whatever term we want to use, we are never going to break that cycle. I don't see how the ministry can honestly say that it wants or it is desirous of reducing the cost of housing, accepting the fact that the cost of serviced land is one of the major components in our present problem, when it has the opportunity to do so, and doesn't do so.

I am sure you are aware, as I am, that there are a number of situations like that. I guess I have a very difficult time understanding any of the arguments or answers that I have heard thus far, when I would ac-

cept the fact that the ministry has a chance to do something about the situation, to create some example and maybe to start creating a market where there isn't any right now and where we know that there is such a control of developed land, building land and serviced land that the market isn't going to break itself. I just don't see, and I wish either you or one of your officials would explain to me why your ministry is taking this kind of a stand, when from not a socialist but a social point of view, it is an opportunity for the government. I don't see how anyone else has the chance at this point in time to make a beginning on breaking what I have to describe as a vicious cycle in housing in this province.

**Hon. Mr. Rhodes:** First of all, I think your research as far as the Malvern project is concerned is lacking. In the situations you are referring to the price of the land that was involved for the lots at the time was the price when we were still in the lease programme. We are no longer in that programme; now we actually sell properties, and lots. The lots that are still available in Malvern under the HOME programme will have been at book value since August, 1975, when it went to the straight sale of the property, with the second mortgage on the difference between the book value and the market value.

That's the situation as it stands at Malvern, which is exactly the same as in Brantford, as I mentioned.

**Mr. Sweeney:** May I clarify a point just so that we are both talking about the same thing? My understanding is that the market value of those lots, on which the purchaser is picking up a second mortgage for the differential, ranges from approximately \$22,000 to \$36,000.

**Hon. Mr. Rhodes:** That would be about right.

**Mr. Sweeney:** And your book value for those lots is roughly one-third of those prices.

**Hon. Mr. Rhodes:** Right.

**Mr. Sweeney:** I think that is consistent with the point I have been making.

**Hon. Mr. Rhodes:** Yes, but what I am saying to you is, subject to correction, the land that's now under the policy of HOME, came into effect in August, 1975. Persons who will buy a home built on one of those lots will pay the book value of the lot. You say it's a third of \$22,500 or \$36,000. The

difference between that book value and the market value is on a second mortgage with no interest over 35 years. We are inconsistent in the programme as it now is operated in all parts of the province.

**Mr. Sweeney:** I think the point I am trying to clarify, perhaps for myself as much as anyone, is that even if it's spread over 35 years you are charging the purchaser the market value for that lot, the market value as of 1975. I realize you stage the purchasing—

**Hon. Mr. Rhodes:** Let me interject here. If you say to me that the market value of the lot is, let's say, the lower figure of \$22,500, and we put it on the market with the HOME project on it and offer it to someone who qualifies with the other qualifications they must have, they purchase the lot for \$7,100, let's say. That's the book value of the lot plus the house. They buy it. It's theirs. Now, a year later, the individual now owns that property. We don't own it. They do.

He is totally free to put that piece of property on the market at full value. In other words, they would pick up the difference between \$7,100 and \$22,500 of the market value. And we just don't think that's the way to do it. We're saying to the person that if you want to remain in that facility which you were able to purchase with all of the conditions and all of the considerations given to you under your circumstances at that time, by all means purchase the home and occupy it. But when you cease to occupy it, then you should reimburse the province for the difference between the book value and the market value, so that you aren't making a windfall profit at the expense of the taxpayers of the Province of Ontario.

**Mr. Sweeney:** All right. I guess what concerns me is that when we go through that particular process, the second or the third purchaser, for all practical purposes, cannot buy a low-cost home.

**Hon. Mr. Rhodes:** The second or third purchaser of that particular home, no. The name of the programme is "Home Ownership Made Easy," or as easy as possible, I suppose, you might say.

**Mr. Sweeney:** But it's only for the first buyer right?

**Hon. Mr. Rhodes:** For the first buyer, right.



**Mr. Sweeney:** I guess what I'm trying to get at is that if we're trying to do that as a general principle, can we not build into the process you are describing some kind of mechanism where it is recognized in the public market that the Ministry of Housing is selling building lots at \$7,000 instead of at \$22,000 and that that kind of lot can continue to be available in subsequent selling for about the same amount of money?

**Hon. Mr. Rhodes:** Right. You had better move over to that side of the room with that philosophy.

**An hon. member:** But he still carries a second mortgage then?

**Hon. Mr. Rhodes:** Who is that heckling us?

**Mr. Sargent:** Why did you change your policy? Why, during the election, did you let them sell them?

**Mr. Kennedy:** They can sell them.

**Hon. Mr. Rhodes:** I find it very difficult to tell the difference. I heard the comment made.

**Mr. Sargent:** Why during the election did you allow them to sell them?

**Hon. Mr. Rhodes:** I don't know. I wasn't the minister. During the discussion it was mentioned that only the first purchaser is buying it at the low price. Well, you know, that's quite correct, but they purchased a home at that price. They've taken on a second mortgage, knowing full well what the conditions are. Should the market ever go the other way, then the person, of course, will be a loser. That is one of the speculative parts of buying property at whatever price you are buying. But by the same token, you save as first buyer. I purchased my home originally I paid I think \$2,100 for a lot that now would sell, in my home town for \$12,000 to \$15,000. Are you suggesting that I should sell that property, if it was to be available for sale, back at the original price I bought it for? Am I not entitled to any of the evaluation that has taken place on property and buildings over the last number of years?

**Mr. Eaton:** Even Stephen thinks that.

**Mr. Sargent:** You are subsidized by the government.

**Hon. Mr. Rhodes:** But the question is that there is no subsidy by the government. Let's be clear on that. There is no subsidy. The only subsidy that's involved now, if you want

to call it a subsidy, is that the difference between the book value and the market value is interest free. That's the only subsidy. That is callable upon the sale of the property or at the end of the term of the mortgage.

**Mr. Sargent:** Is that now?

**Hon. Mr. Rhodes:** Yes, as of August. I was simply drawing to Mr. Sweeney's attention, and I think he probably was aware of that, that he was talking about two different situations when he referred to the Malvern situation. Part of Malvern that is built, where the land is being used, was under the old system of the leaseback, and we found some more uses—

**Mr. Sweeney:** No, I wasn't thinking of that.

**Hon. Mr. Rhodes:** The present land that is there would be under the present system of book value plus the mortgage on the difference.

**Mr. Kennedy:** Is it a Crown holding?

**Hon. Mr. Rhodes:** Yes.

**Mr. Kennedy:** When is the balance of that payable?

**Mr. Chairman:** I'm sorry, Mr. Sweeney has the floor.

**Hon. Mr. Rhodes:** I will respond to Mr. Sweeney, and that is the difference between the book value and the market value is callable upon the sale of the property by the original purchaser to someone else; or at the end of the 35-year period they either pay the book value difference free and clear of any mortgage, or they can refinance the balance for whatever period of time they want.

**Mr. Sweeney:** Is it possible that the second mortgage—the differential that we're talking about—could be an element in terms of the first sale, so that a second purchaser could get some of the advantages the first purchaser got?

**Mr. B. Newman:** A son or daughter.

**Mr. Sweeney:** Is that part of your mechanism?

**Hon. Mr. Rhodes:** Mr. Riggs says it's open. The second purchaser, as I understand, then could actually take on the existing obligation of buying the property at the book value of the land and assume the second mortgage on the balance.

**Mr. Riggs:** To clarify this, if the secondary purchaser, subject to the Ontario Mortgage

Corp., was in the same income range of the HOME plan and subject, of course, to the sale price—because if the original purchaser wanted twice the value of the property, and we were helping to finance that, that could be a detriment to the sale—but if the purchaser was trying to sell the property, at a normal rate-of-inflation profit, to another purchaser whose income was in the same HOME income category, the Ontario Mortgage Corp. could approve the transfer of the mortgage as is.

**Mr. Eaton:** If you have made some improvements on the home, would it still be considered at the same rate?

**Mr. Riggs:** No. Any improvements under the old HOME plan were included in any calculation of a resale price.

**Mr. Burr:** At the end of the 35 years you say it can be renegotiated at that time. Does interest start at that point, or is it still interest-free?

**Hon. Mr. Rhodes:** No, there would be interest on it from then on.

**Mr. Burr:** There would be interest, then?

**Hon. Mr. Rhodes:** Yes, you're down to a first mortgage on that; just the book value-market value difference.

**Mr. Burr:** And then at the end of 35 years it's either callable or else renegotiable at the current interest at that time.

**Hon. Mr. Rhodes:** That's right.

**Mr. Sweeney:** May I ask if your ministry is considering any other procedure, process, whatever you will, whereby it might somehow be possible for the Ontario government, through your ministry, to put serviced land on the market at less than the market value, without going through this rigmarole we are now? And if in some way we could try to break the present cycle where the price just climbs, climbs, climbs—and it doesn't seem to be going to stop itself. It seems to be the one element in our economic system where the market is not doing anybody any good. It's just hurting everybody.

**Hon. Mr. Rhodes:** I would suggest that we probably could do that—not that we are doing it now. But I suppose you could probably do that on the condition that we talked about, that whatever we acquire the land for that's what it would be on sale for.

**Mr. Sweeney:** Has your ministry considered anything like that?

**Mr. R. M. McDonald:** The book value and the market value in areas other than Malvern, Hamilton and Saltfleet, are almost identical to the market. In northern Ontario, the book value of the land as developed by OHC is usually the market value, because OHC is the only developer in the area. If you look at rural areas in Ontario, as an example western and northern Ontario, the book and market value are basically the same, in about 90 per cent of the cases. The only problem you would get into is in Hamilton, Saltfleet, Gormley and Malvern, where the cost of lands in urban municipalities have escalated so much that the second mortgage mechanism is used to stop windfall profits. In the other areas, most of the land is offered directly at book value, because it's contemporaneous with market value.

**Mr. Sweeney:** I guess I'm finished, but I still feel uncomfortable that the government, with the assets at its disposal and the power behind it, can't somehow break this thing. I don't know who else is going to do it, and I think it's got to be done. I realize maybe I'm just venting my frustration—  
[8:45]

**Mr. Sargent:** It isn't an election year.

**Mr. Sweeney:** It is too important to be an electioneering issue.

**Hon. Mr. Rhodes:** Mr. Chairman, our pure friend from up in Grey-Bruce is so pure, sweet and lovable, and he hasn't been thrown out yet this year—

**Mr. Sargent:** Don't throw stones at me.

**Hon. Mr. Rhodes:** I am not throwing stones at you. I like you. You are nice. You are cuddly.

**Mr. Sargent:** I am queer for girls.

**Hon. Mr. Rhodes:** To acquire land and to put it on the market at book value under the system that we are now using is working satisfactorily. In other areas, what we are doing is we are putting subsidy into the servicing of the land to keep the prices of it down. If we are selling it at market value, really I think that's about the best you can do, and not allow it to climb, to escalate, and to take on abnormal prices, which is what we are doing in the case of Brantford. We are selling it at book value, leaving the market value of it.

The only other alternative, as I see it and I am not that deeply involved in it as yet, is to do what was suggested earlier and that is

you lease the land and the house and you say to the person: "As long as you are in it, that's fine, it's yours. You pay so many dollars a month. When the time comes and you pack off and you go somewhere else, it reverts back to the ownership of the province, which makes it available to someone else."

If you want that sort of an arrangement, where no one ever has an opportunity to own those homes, I just don't see it. I think ownership is important and the opportunity to own is important, and I don't believe that the state should own the homes and the property. There are those in the room who probably do, but I don't.

**Mr. Makarchuk:** I suggest that that's a lot of nonsense.

**Hon. Mr. Rhodes:** I suggest the position of your party is a lot of nonsense. Yes, I agree with you.

**Mr. Chairman:** Mr. Sargent. I will be glad to put you on the list.

**Mr. Sargent:** Sure, anything you want.

**Mr. Burr:** Wouldn't you agree that the only way to keep the price of land from escalating, when the province has acquired the land, would be to lease it and allow the price of the house to go with the market value but the land is permanently the province's and it is just rented at book value?

**Hon. Mr. Rhodes:** We tried that and it didn't work out very well.

**Mr. Riggs:** Not entirely, Mr. Chairman. In both the leasing plans that were tried, there was an option to purchase. It was the option to purchase that created the problem.

**Mr. Burr:** Yes, but why not just take that option out?

**Hon. Mr. Rhodes:** You are proposing a perpetual lease on the land?

**Mr. Burr:** As a compromise. They own the home but they don't own the land.

**Hon. Mr. Rhodes:** Consider that the perpetual lease is held by the government. The individual leases the land and builds the house and the house evaluates, let's say, at \$5,000 for an easy figure, and the house then is put on the market for sale. The person sells the house and takes whatever money he gets from that particular building and then goes out on the market now looking for a house somewhere. To begin with, he doesn't have the money, because tacked on to the next building he is going to buy will be a

piece of property at market value, and he has not been able at all to realize any increase in equity on the property that he has been sitting on.

**Mr. Sargent:** Mr. Chairman, getting into what Freddie is saying and John, the key to getting housing on track is the cost of the land factor, that is number one, plus the cost of money. We all agree it is a tough job you have to do, but I would like to talk, if there is one of your officials here—

**Hon. Mr. Rhodes:** Can I just touch on one thing—you did give up the floor. The other thing that would bother me on that is that the lease itself will be available on land at value, whatever it may be, and as land becomes more expensive in the area, that lease starts to get some value, and you have got almost a sort of a key money situation that you have got on some apartments, only this time it's for the lease, and the sort of under-the-table deals that would go on and that sort of thing bothers me a little too.

**Mr. Sargent:** Now you are talking; under-the-table deals. That's what you did in the election. You took the lease and you sold them the lease. You said they could buy up their leases and sell their homes, during the election. Who put that through your department during the election?

**Hon. Mr. Rhodes:** I am sorry, come again?

**Mr. Sargent:** The people who had leased land for these homes in Owen Sound, 110 of them, were told by your department—a government letter came to them—that their lease could be finalized immediately and they could sell the homes. They bought the homes for \$1,500 or \$2,000 down and they were selling the houses for \$27,000 and walking off with a big margin during the election. Whether that is your policy now, getting into leasing land, it's a big political thing which could happen. You say, "Okay, it's election year; we will cancel all the leases you own and you will have title to the land." That is exactly what you did during the election in Owen Sound. I am not blaming you for it, Mr. Minister.

**Hon. Mr. Rhodes:** I can't debate what you are saying—

**Mr. Sargent:** Someone should know about that. Who knows about it?

**Hon. Mr. Rhodes:** All I know is that the case involved took place in August. Mr. Rose perhaps knows.



**Mr. Rose:** Perhaps I should explain that all the leasing we had prior to August, when we moved from a leasehold to an ownership, had a provision to enable the lessee of the land to buy it. Some of them were based on buying the land five years after they bought the house at the market value at that time; then, as you may be aware, it was changed so that you could buy your land five years after you bought your house at the market value after five years.

**Mr. Sargent:** And you brought it forward?

**Mr. Rose:** Yes, but in the first instance, it was the market value when you purchased the house. To illustrate that point, if you bought a house in Owen Sound for \$22,000 and the book value of the land was \$4,000 and the market value was \$5,000, you could buy that land five years later for the market value of \$5,000. The procedure was changed in 1973. If you bought your house in 1973—let's take Malvern for an example—and the book value was around \$8,000, the market value would not be established when you went to buy that land until five years from the date of purchase, in which case the market value may be around \$30,000 or \$35,000. What this was doing was putting home ownership out of the reach of the people we were trying to get into home ownership.

The idea of the controls was to prevent speculation. This is where the second mortgage comes in because now the individual buys the house and the lot at the book value with the market value second mortgage covering the difference. That is callable. That is the way we control the speculation, and that profit reverts to the Crown. I think the point I want to make is that the programme always provided for the homeowner eventually to buy his land.

**Mr. Sargent:** I lost you five minutes ago. The thing is, it happened during the election and with 110 homes you brought the deal forward for election-purpose expediency. I am not going to flog that point; I will give you the file on it and someone is going to have to show me who gave permission for that political thing to happen.

**Hon. Mr. Rhodes:** That is like no wage and price controls in June—

**Mr. Sargent:** Now, you didn't do it. It did happen. How many of your top brass have been there for seven or eight years? Have they all been there for seven or eight years?

**Hon. Mr. Rhodes:** They are all veterans.

**Mr. Sargent:** What I am getting into is this: It is inconceivable that you as a fine mayor of your city—your books were open to the public, an open-door policy. As mayor of Owen Sound I established the fact that anyone could walk into city hall and could see the assessment of anybody in Owen Sound. All of our records were in the open-door policy. That was your policy, I believe, as mayor?

**Hon. Mr. Rhodes:** Yes.

**Mr. Sargent:** And that is the way public business should be run.

**Hon. Mr. Rhodes:** Excuse me, but you couldn't look at the records even in the great and free-wheeling community of Owen Sound.

**Mr. Sargent:** You sure as hell could.

**Hon. Mr. Rhodes:** No, you couldn't.

**Mr. Sargent:** Anyone who couldn't could talk to me and I would take them and show them.

**Hon. Mr. Rhodes:** No, you could look at the assessed value but not the records. Now be honest.

**Mr. Sargent:** That's not right. I will tell you they could see anything they wanted to. We had nothing to hide.

**Hon. Mr. Rhodes:** No, that is not correct.

**Mr. Sargent:** There was no hanky-panky going on there.

**Hon. Mr. Rhodes:** No, but I will tell you this: If you were showing them the assessment records there was hanky-panky because that is a violation of the Assessment Act.

**Mr. Sargent:** We didn't give a damn for that. They own the deal anyway. It belongs to the people not to officials. You guys seem to think you own everything. You don't. You only work for us.

**Hon. Mr. Rhodes:** That's right.

**Mr. Sargent:** Don't forget that. We phone up and get this flak from you guys who are drawing down \$40,000 a year and you make us think we are a bunch of clowns because we make \$15,000 a year; isn't that right?

**Mr. Makarchuk:** That's right, and payday is next Monday.

**Mr. Sargent:** Having said that, a year ago this week, on Nov. 29, one of the government officials came to me with a story

that would shake your hat. He produced records and appraisals of the Saltfleet development—the whole file on it. It was to the effect that Jon-Enco Ltd. got a cheque for \$6 million on Jan. 7, 1967, for 1,500 acres of land at \$4,000 per acre when Mr. Murchison was the chief land developer for your department. He was opposed to this, because his appraisal and his evaluators, as well as the assessors, said the land at most was worth \$2,000 an acre. But they paid Jon-Enco \$6 million—\$3 million more than they should have. Mr. Murchison resigned and became president of Y and R Properties, a large firm in this city. He resigned because he couldn't put up with the goings on in this department. At that time, I asked for the files to be opened. The minister refused.

Jon-Enco as a firm went broke. I don't know why they went broke with a \$3-million profit, because they put nothing on the land, they did nothing for it; all it did was change hands to the government.

Mr. Murchison, the chief man in your department, objected strongly to the \$6 million paid to these people—an overpayment of \$3 million of our money—and as I say, he resigned. Several days later, I asked him—and I quote from Hansard: I said:

Mr. Murchison, how do you account for the overpayment of \$3 million in view of the fact that you recommended against it and the appraisal people recommended against it, but it still went through for a bill of sale of \$6 million—

Then came the date of payment of the cheque, which we had in our files. He said:

"All I can put it down to [and get this, what he said] is political pressure."

Hon. Mr. Rhodes: Can I ask you a question? What year did Mr. Murchison resign? Was it 1974?

Mr. Sargent: I haven't got that date.

Hon. Mr. Rhodes: Did you say 1974—November, 1974?

Mr. Sargent: I haven't got the date he resigned. It's probably in Hansard further on. But, as you will recall, this carried on over a period of weeks, with me trying to get answers and things from the minister in the House. Finally, after several weeks, his people came up with a telegram from CMHC in Ottawa, saying they felt it was a fair appraisal. But all the way down the piece, we wanted to see the minutes of that meeting to find out why a top man would resign because of such an overpayment of \$3 million.

Hon. Mr. Rhodes: First of all, can I just comment on that? You're referring now to

land purchases that were made by the corporation in 1967.

Mr. Sargent: In 1967-1968, I think it was.

Hon. Mr. Rhodes: In 1967-1968.

Mr. Sargent: In Saltfleet—by Kronas.

Hon. Mr. Rhodes: Right. The records were made available to you.

Mr. Sargent: Pardon?

Hon. Mr. Rhodes: Were these records made available to you?

Mr. Sargent: The government official told me that he thought—

Hon. Mr. Rhodes: No, we're not dealing—

Mr. Sargent: —either I'd get shot or he'd get shot if we brought this into the House.

Hon. Mr. Rhodes: This information you're talking about, these records were tabled in the House.

Mr. Sargent: I wanted to table the stuff.

Hon. Mr. Rhodes: It was.

Mr. Eaton: They were.

Mr. Sargent: Not the stuff I had; it wasn't tabled in the House.

Hon. Mr. Rhodes: I'm sure it wasn't. Was it signed and sworn in front of a—you know, was it a legal declaration?

Mr. Sargent: It was a photostat.

Hon. Mr. Rhodes: But was it a legal declaration by the individual of what transpired? Because I have here—and I make no bones about it—Saltfleet first, in 1967—I won't go through all the locations, but—

Mr. Sargent: Is that Kronas or Jon-Enco?

Hon. Mr. Rhodes: Jon-Enco. The date of closing was Jan. 2. The price paid—  
[9:00]

Mr. Sargent: Six million dollars.

Hon. Mr. Rhodes: We went through this. Jon-Enco Ltd.—price paid: \$3,521,860 for 878.472 acres.

Mr. Sargent: They bought 1,500 acres.

Hon. Mr. Rhodes: At \$4,000 per unit.

Mr. Sargent: They bought 1,500 at \$4,000 a unit.

Hon. Mr. Rhodes: Another piece of property in Binbrook area on Jan. 3, 1968, for \$180,752. That is \$3,992 an acre. Jon-Enco, on Jan. 15, 152.835 acres for \$4,000 an acre, and another block of property of 227.164 acres for \$4,000 an acre. This is information that you have.

Mr. Sargent: Yes, that's right. \$4,000 an acre. It was appraised for \$2,000 an acre.

Hon. Mr. Rhodes: The appraisals at the time were approved by Central Mortgage and Housing Corp.

Mr. Sargent: You don't understand. What I'm trying to say is that—

Hon. Mr. Rhodes: I know what you are trying to say, but I would ask you. You are trying to say that there was some sort of hanky-panky going on.

Mr. Sargent: No, we know damn well there was.

Hon. Mr. Rhodes: Show me by proving it. Prove it.

Mr. Sargent: We can't prove it because you won't give us the records. We want the minutes of the meetings.

Hon. Mr. Rhodes: These records were tabled in the Legislature.

Mr. Sargent: We want the minutes of the meeting where he resigned.

Hon. Mr. Rhodes: What difference does it make if it says: "Moved by Jones and seconded by Smith that we buy the property from Jon-Enco for this price"? It's here. You had it.

Mr. Sargent: Who typed that? Somebody said, "Fix it up. Doctor the damn thing, and give it to us." There you go.

Hon. Mr. Rhodes: You have that warped mind on the way you used to operate things at one time. You are the only one who does that.

Mr. Sargent: I know.

Hon. Mr. Rhodes: I don't intend to do that.

Mr. Shore: That's wrong.

Mr. Sargent: That's wrong.

Hon. Mr. Rhodes: I can tell you what's wrong with it. But we better get along with the story here.

Mr. Sargent: I think that if I got to this point, that you are going to bring up a bunch of garbage like that, the things you had typed up—they are not the documents I had. I had the signed appraisal values, the photostat of the cheques and everything.

Hon. Mr. Rhodes: Nobody is denying the price that was paid for it, and the total price, and the price per acre.

Mr. Sargent: Did you ever think to ask Mr. Murchison why he resigned, because you weren't there? You couldn't care less.

Hon. Mr. Rhodes: I don't know Mr. Murchison. There are a lot of things I don't know.

Mr. Sargent: At this point I just want to establish the fact that a year later we still tried tonight to ask you to open the books and let us see the minutes of the meeting and you say you won't. I don't blame you a damn bit. But if we had it first of all, if we had put the vote, it would have been a vote of confidence and the government would have fallen. That's how important it is.

Hon. Mr. Rhodes: Mr. Chairman, I can only say to Mr. Sargent that he is a member of the committee. He can put forth any motion he likes and the committee will deal with it as they see fit—

Mr. Sargent: We tried.

Hon. Mr. Rhodes: —and let the chips fall where they may.

Mr. Sargent: I don't think you want that, do you?

Hon. Mr. Rhodes: I have no control over that. You do.

Mr. Eaton: Can I ask a brief question? When CMHC approves the mortgage money to purchase this, do they put appraisers out to appraise the property too?

Hon. Mr. Rhodes: We have an appraisal.

Mr. Riggs: Yes, they have to. Every piece of land that's mortgaged by CMHC under debenture—

Mr. Sargent: What do you have that appraisal man here at all for? When they lay a price of \$2,000 on an acre of land, what do you have those guys for? They are 100 per cent wrong.

Hon. Mr. Rhodes: Excuse me. He said the appraisers he is talking about are the ap-



praisers sent in by Central Mortgage and Housing.

**Mr. Sargent:** I know, but what are you doing if they are 100 per cent wrong on your appraisal? And why does the top man say that the reason he objected was the \$3 million payment? He resigned because of political pressure. And he's a top man in his industry.

**Hon. Mr. Rhodes:** I can't tell you that.

**Mr. Kennedy:** Just another question on that matter we were discussing as to the second mortgage with lots where they are callable after 35 years.

**Mr. Makarchuk:** The Brantford plan.

**Mr. Kennedy:** Take an example of a lot, book value \$10,000, market value \$30,000. The difference is \$20,000, which becomes the callable part. But over the period of years, somewhere in that interval, the market value may increase beyond what is callable, say to \$25,000 an acre. Does the owner pick up that profit or does it revert to the Crown as well? Is it called by the Crown as well?

**Hon. Mr. Rhodes:** No, the original purchaser does get the advantage of the deflationary factor—if ever it may happen. It stays at the value at the time of purchase.

**Mr. Kennedy:** I want to discuss senior citizen construction, Mr. Chairman, in Mississauga particularly. Do you have the figures here with respect to the backlog of applicants—for both senior and family housing?

**Mr. Rose:** Mr. Chairman, through you to the member, the waiting list in the city of Mississauga is for 674 family-housing units and 224 senior citizen.

**Mr. Kennedy:** As of what date? Is that current?

**Mr. Rose:** That would be as of the end of October.

**Mr. Kennedy:** At one point the ministry was about to purchase the Thompson Lumber site. I believe the approval was all arranged here, but it didn't go through, I understand, because the city thought it might have a better alternate use than for a senior citizen site. Can you give me the details of what transpired, please?

**Mr. Rose:** I believe, Mr. Chairman, that site is now being used for MTC for the GO system. It's in the old town of Port Credit if I'm not mistaken. We are, at the present time, trying to arrange purchase of another

site in Port Credit to meet the needs of the senior citizens in Mississauga.

**Mr. Kennedy:** Is that the Elmwood Motors site?

**Mr. Rose:** No, it is not. I can't recall the name of the site.

**Hon. Mr. Rhodes:** I would suggest we shouldn't mention any sites when we're negotiating for property. I don't want to be on any list.

**Mr. Kennedy:** This is public information. I just wondered as to the status of it.

**Mr. Rose:** The other thing about the Thompson Lumber site was we had to get a higher density, and the municipality was reluctant to give us the density required to make it economical.

**Mr. Kennedy:** But at one point you were interested?

**Mr. Rose:** Yes, at one point we were very interested in that.

**Mr. Kennedy:** Is there just the one site under consideration now?

**Mr. Rose:** No, there is another site under consideration in Streetsville, and the matter is with the city council now.

**Mr. Kennedy:** I'm not going to ask about that—I don't want to place it in jeopardy.

There was a proposal put forward by one of the councillors whereby a multiple-use site would be acquired with part of the utilization to be for senior-citizen and family, as well as other, purposes—separate from Crown involvement altogether. Do you know what the status of that is?

**Mr. Rose:** Yes, that's the site I was referring to, Mr. Chairman, and I think there are negotiations going on with that at the present time.

**Mr. Kennedy:** Does it seem feasible that we could participate for multiple use?

**Mr. Rose:** The way we look at this, there would be a severance between the socially-assisted housing and the other uses. We would be involved primarily in the part relating to housing.

**Mr. Kennedy:** In your negotiations, how many units are proposed at this particular point?

**Mr. Rose:** It's a matter of changing the zoning for the density, and I would prefer

at this point in time, Mr. Chairman, to not give the specific zoning being considered, because it might affect the negotiations.

**Mr. Kennedy:** Yes, okay.

**Mr. Eaton:** I wanted to get into the subject of senior citizen housing too—the staging of senior citizen housing from the time it's approved in a community until the land sites are acquired, and so forth.

I've had four approved in my riding ranging from a year to about 18 months. Two of them are just now going to tender—they are the ones with a year's approval, one may be a little more than that. They still haven't selected a site for the two others. Where does the responsibility come for selecting the sites? Is it left with the community to pick a site, or your ministry?

**Mr. Rose:** The actual acquisition of a site was explained earlier by the Ministry of Government Services. However, just to renew the process—as you know, we initially require a municipal resolution for the senior citizens; and then we do a survey to determine the need and then ask the Ministry of Government Services—

**Mr. Eaton:** That was prior to the approval, though.

**Mr. Rose:** Right. Then we ask the Ministry of Government Services to find a suitable piece of land for us. Very often the municipality is willing to offer us land. They may have institutional land that is used for a school, or some other purpose, that we will purchase. The purchase of land can be a lengthy process. The land has to be appraised; the price has to be right because of the economics of the number of units that are to be built; it may have to require a rezoning. I think very often in a number of smaller towns the rezoning requires more than, say, single family into an R-3 type of zoning. If it requires an OMB hearing, then, of course, that is more time. Some of these are done very quickly and some take a year and a half, maybe two years.

**Mr. Eaton:** We are not even to the stage of having the sites picked. What contact does your ministry keep between yourself and Government Services to see that somebody is trying to find these sites?

**Mr. Rose:** The development officer is responsible for that particular community and through our link with MGS it ensures that he keeps on to them to find a suitable site. They are acting as our agents.

**Mr. Eaton:** What do you mean, keeps on to him? Does he have one in 1976, and another in a couple of years?

**Mr. Rose:** No, I am talking sort of weekly, monthly. He has to meet that need. He has to meet that objective in that community.

**Mr. Eaton:** Then, what possible excuse could there be for going over a year and not having come up with a site?

**Mr. Rose:** Because there just may not be a suitable site in the community.

**Mr. Eaton:** I know the community and I know there are some sites there.

**Mr. Rose:** If there are, we would be more than willing to look at them.

**Mr. Shore:** Sell him a piece of your property.

**Mr. Eaton:** Unfortunately, I don't have any in these particular villages. But some place there has to be a breakdown between approving these and getting people on the job finding sites. Surely, there is no excuse for going a year and a half without even coming up with a site and saying, "This is the site we want. We want to go to the OMB"—or doing whatever you have to do to get it rezoned, or asking the community if they would approve that site.

**Mr. Sargent:** All the Tory land has been sold.

**Hon. Mr. Rhodes:** Mr. Eaton, can you give us some specifics so that we can look at it?

**Mr. Eaton:** The town of Strathroy and the village of Dorchester.

**Mr. Rose:** I think at Strathroy we have already built one senior citizen project and we are now looking for a second one.

**Mr. Eaton:** Yes, but that senior citizen house was completed in 1972. We are talking about another 45 units that were approved last year.

**Mr. Rose:** We are still seeking a suitable piece of land in Strathroy.

**Mr. Eaton:** You are still seeking a suitable piece of land.

**Mr. Rose:** Right now we are looking for 46 units that we have what we would call under development.

**Mr. Eaton:** I said 45; excuse me. I was out one.

**Mr. Rose:** In Dorchester, we have a need for 14, in Glencoe 21, and Newbury 10. I am not sure whether we actually have a site for Strathroy or these others or not, but that is 91 units at the present.

**Mr. Eaton:** I am aware of all that. I have been aware of that for a year. What I want to see is some housing that they can move into.

**Mr. Rose:** I would agree with you that we would too. I believe even the first site at Strathroy was delayed, as I recall, because of its location on the river and the construction of the bridges.

**Mr. Eaton:** It slowed things down a bit, but it's a beautiful site; no question about that. But when was the last time there was somebody in that community looking for property or trying to make a deal on properties.

**Mr. Rose:** I don't know, but I can find out and let you know when there was somebody in those four communities.

**Mr. Eaton:** Where was the co-ordination that we talked about between your ministry and Government Services trying to buy property, then? Who is the contact man?

**Mr. Rose:** The person responsible for the development of that housing is an OHC development officer.

**Mr. Eaton:** Located where?

**Mr. Rose:** Located in Toronto and he covers southwestern Ontario.

**Mr. Eaton:** How often does he go to southwestern Ontario?

**Mr. Rose:** Most of them are down there two or three days a week.

**Mr. Eaton:** Where does he operate out of when he is there?

**Mr. Rose:** He generally moves around from one place to another. Mr. Knox happens to be the manager, I believe, for southwestern Ontario.

[9:15]

**Mr. Eaton:** He doesn't operate from any particular office down there, you say. He moves around the community.

**Mr. Rose:** He has to go around. He is meeting with municipal councils, municipal staff, conservation authorities, city clerks and

a number of people, all involved in assisting him with his development process.

**Mr. Eaton:** On the location of these sites then, are there any special rulings put on by the Ministry of Housing—we are talking about Dorchester, for instance, with 14 units—in regard to septic tanks and this sort of thing?

**Mr. Deans:** Yes, you have to have them.

**Mr. Eaton:** No kidding.

**Mr. Rose:** Before we are funded we have to meet the requirements of CMHC with respect to the type of septic tanks, if we are not going to be on sewers.

**Mr. Eaton:** But not having sewers doesn't limit them as long as septic tanks are available?

**Mr. Rose:** No, as long as we can meet their requirements. Very often we have to rent land, for example, adjacent to the site to put in the septic field, based usually on the fact that services may be coming along in three or four years.

**Mr. Eaton:** It just seems that there should be no excuse for delaying the approval of these things. I mentioned the steps we went through in the beginning in running the surveys in the community. The senior citizens got involved in the surveys. Here was their big opportunity to get some senior citizen housing for those people who needed it at that time. That was the year prior to the approval of it. Now we are two years down the road and we still haven't got any sites for it.

**Mr. Rose:** I would say to you that if you know of any sites that we should be looking at, I would appreciate the information.

**Mr. Eaton:** Most certainly.

**Mr. Shore:** There must be some sites in Strathroy.

**Mr. Eaton:** Oh, there certainly are.

**Mr. Kennedy:** Could I have a quick related question? Do you still call for proposals by builders or project people?

**Mr. Rose:** No, we don't. We use a modified tender call system, which I think speeds up the construction part of it.

**Mr. Eaton:** I want to get into the HOME project on the same sort of basis. If a community asks for the HOME lots and some



HOME projects, how do you decide on the acquiring of that land to go ahead with HOME projects?

**Mr. Rose:** If we don't have land in our inventory, the main consideration in the purchase of land for the HOME programme is that the final book value of that land, combined with the house that is put on it, should enable us to meet the target income group of the HOME programme. That is the key factor in considering it.

**Mr. Eaton:** Then all the community has to do is come forward and say: "We have a subdivider here that is developing this part of it. There are 41 lots we would like to have in the HOME programme." What is the Ministry of Housing doing about that?

**Mr. Rose:** I would like to put one qualification on that if I could. There has to be a need. There has to be a market survey research to ensure that there is the market there for the units.

**Mr. Eaton:** How long might that take?

**Mr. Rose:** It depends on the information that is available in the community. It may be readily available or it may take a month or two to determine. It is the builder, not the corporation, who is responsible, once he has built that housing for marketing it. He is taking the responsibility. But before we move in, we should be sure before we purchase land that, there is a market for it.

**Mr. Eaton:** What about the low rental units if a town comes forth and says, "We would like some low rental units"?

**Mr. Rose:** There, again, for our direct construction the same process applies as with respect to the senior citizen process, where we acquire the land and then go through a modified tender. For both these programmes, where there is a large stock of rental accommodation available in a municipality, we may enter into a rent supplement programme for both family and senior citizen units, where we will get vacant units from landlords.

**Mr. Eaton:** Now that you bring that up, what about senior citizen rentals? Since these things have proceeded so slowly, if there are facilities available, if people in that community say: "Okay, we have got apartments that will rent to the senior citizens," how do they get you involved in subsidizing those?

**Mr. Rose:** We then meet with the landlord. We appraise the rent he is charging and enter into an agreement with him to rent,

whereby a senior citizen would rent the apartment from the landlord and we would pay the difference between what the senior citizen would pay on the rent scale and the rent that the landlord is charging.

**Mr. Eaton:** In a community, how quickly do you act on that, since the other moves so slowly?

**Mr. Rose:** If we can find a community which has acceptable vacant rental apartments we could move into a contract within two to three months at the outside; even faster if we can get the right appraisal. It must stand up to appraisal for the market in that area and CMHC, of course, has to approve it with its appraisal.

**Mr. Eaton:** On the design of rental housing, we ran into quite a problem up there because the town didn't like the proposals which came forth for the design of the rental houses. Is this done on a tender basis or do you call for proposals for the rental house or do you have a design the builder must go by?

**Mr. Rose:** What we do here is we go halfway between the proposal and the tender. We do what we call a modified tender call. We hire a local architect who is given the responsibility of designing a modified tender. He will have the design of the building with respect to the plan, the elevation. He takes it to the municipality; he makes sure the municipality agrees with the streetscaping and the landscaping, and that the building is going to fit into the community. All that is done by the local architect. He obtains the approval of the municipality for it and then we put that building out to a public tender call.

**Mr. Eaton:** He obtains the approval of the municipality?

**Mr. Rose:** He obtains the approval of the municipality for the building. This is new. This process has been going for only about eight to 10 months. If you've got a building now it probably was not built under that system.

**Mr. Eaton:** That is what happens now? He must have the approval of the municipality before you'll approve that?

**Mr. Rose:** Yes.

**Mr. Eaton:** I think that's a great step. I assure you I think it's something we needed because we certainly ran into some problems in that regard.

**Mr. Sargent:** You're back in the party again.

**Mr. Johnson:** Mr. Chairman, I have a few questions to ask but there's one point I'd like to clear up. Being a new member I'm rather confused at one of the remarks Mr. Sargent made about Conservatives wanting to accumulate all the land. I thought this was the socialist platform and seeing that Eddie is sitting with the group tonight maybe he's changed parties.

**Mr. Sargent:** I could do a hell of a lot worse, I'll tell you.

**Mr. Deans:** You could be a Tory.

**Mr. Sargent:** With all the corruption over there with you guys, who the hell needs you?

**Mr. Deans:** Would you argue for a while until I get my answer?

**Hon. Mr. Rhodes:** I can't let this go by. Anyone who's an expert at all on corruption is anyone associated with the Liberal Party anywhere.

**Mr. Burr:** How do you know?

**Mr. Sargent:** You should know, John. You've been through it.

**Hon. Mr. Rhodes:** I had enough brains to get out.

**Mr. Sargent:** Is that right?

**Hon. Mr. Rhodes:** How about the Senate? Tell us about the Senate. Sky Shops, for instance.

**Mr. Chairman:** Order, please.

**Mr. Angus:** Is that in the estimates?

**Mr. Johnson:** I would like to address one remark to the member for Windsor-Riverside (Mr. Burr). He spoke about leased land and I'm not sure if leased land is a good proposition or not. In Sauble Beach, in one portion of the beach, the land is owned by the Indian reservation and a lot of people built expensive cottages in this area. I'm sure today they wish they hadn't built these cottages because they're tied into something now that they can't get out of. I'm sure that with the group we have in Parliament now there's no problem but without owning land there's always a problem with who is the land owner.

I'd like to address a question to the members of the ministry, and if they want specifics this is in reference to the senior citizens' apartment units and it's in relation to the village of Grand Valley. I'm speaking of about a dozen units only but these people have been trying since 1970 to have some units built.

The problem is that Grand Valley, as the name implies, lies in a valley. The only land available is a parcel on the flood plain and it's under the Grand Valley Conservation Authority. We spoke about this and the power of these authorities a few days ago and it was mentioned that sometimes it's hard to overcome it. To further complicate it, it also comes under the public trustee because the land was originally a lawn bowling club and there's only one existing member. The rest have all passed away.

Now the problem is to get ownership transferred from the public trustee to the approval of the Grand Valley Conservation Authority and then whoever purchases for the government. There seems to be quite a tie-up between the ministries and we just can't get the necessary action to get it moved through. Is there any way that we can expedite the problem?

**Mr. Rose:** I think I'm aware of the problem here, and I think we will certainly try to see if the Ministry of Natural Resources can assist us in expediting this, because I think the conservation authority is under that ministry. I know we've been looking for a piece of land in Grand Valley—I think we've been working on it now for about four years—and it's been very difficult. The flood plain presents a problem for us. I'll certainly look into that and I'll let you know.

**Mr. Johnson:** These people are in a desperate plight. They've cancelled the banquet permits, they can't get a liquor store and there is no highway. They definitely need a senior citizens building if nothing else. There is one other question I would like to ask and that's about the programme description. It states that this programme also encouraged municipal land assembly. How do you encourage municipal land assembly?

**Mr. Riggs:** Mr. Chairman, under recent amendments to the National Housing Act, municipalities are now eligible to assemble land with 90 per cent loans from Central Mortgage and Housing Corp. There was a branch established in the ministry to assist municipalities to work through the red tape and the paper work that's required by CMHC to apply for these loans. I have a list here—starting with Brantford and going all the way through to Windsor—which consists of 24 municipalities in the Province of Ontario which have either acquired land and have secured federal financing to the amount of 90 per cent loans, or which are in the process of acquiring land and will be applying for federal loans.

Our role in this is to expedite, to sit on CMHC when they won't give answers, to go to bat for the municipalities when they run into problems in terms of assistance in land, or have MGS help us in terms of appraisals. We find that there will be a series of lots coming onto the market next year and the year after from these municipalities at prices below market. It's an open programme. We have advised all municipalities in Ontario it is open to them.

Interjections.

**Mr. Chairman:** I'm sorry I cut you off there, Mr. Eaton, but there are quite a few on the list. Did you want to add something?

**Mr. Eaton:** Yes, I had something I wanted to bring up regarding Home Ownership Made Easy projects. In regard to the advertising for the HOME projects, advertising for families to apply, I had an instance in my riding where a young couple applied who were going to become a family; they're not married yet. They were fortunate enough to be one of the ones who had their name drawn in this lottery that you run for the lots. They weren't to be married until January of this year—and the houses will maybe be finished in December, or maybe not until January—but they were being turned down because, as of yet, they weren't a family. However, the people in the office, to be helpful I suppose, said "If you can show us if you have been living together, then we'll approve it."

**Mr. Makarchuk:** The minister is encouraging sin.

**Mr. Eaton:** I am sure he wouldn't encourage that.

**Hon. Mr. Rhodes:** I must have missed it; but I caught the bit about living together in one room.

**Mr. Eaton:** Maybe I had better repeat it just for you, John. What your staff is promoting in the field.

**Hon. Mr. Rhodes:** Are you confessing something or what?

**Mr. Ruston:** Better listen.

**Mr. Sweeney:** Listen this time.

[9:30]

**Mr. Eaton:** What had happened was that a couple who were to be married applied for the lot and were drawn, and then they were told because they weren't yet approved that they—you're getting me all confused—they

weren't yet married that they couldn't be approved. They were turned down after being drawn—

**Mr. Makarchuk:** For the marriage or for the lot?

**Mr. Eaton:** —except they would still get it if they could prove they'd been living together.

**Mr. Kennedy:** You need a new department in your ministry.

**Mr. Sweeney:** It's called moral persuasion.

**Hon. Mr. Rhodes:** The Ministry of Community and Social Services.

**Mr. Angus:** He should quit while he is ahead.

**Mr. Eaton:** Well, it may be and it may seem funny, but to them it's pretty damn serious.

**Hon. Mr. Rhodes:** You're darn right, it's pretty funny.

**Mr. Eaton:** They are taking some serious steps to try to acquire a home. Other people could come along who weren't married but who were living together and be approved for it. Yet they, who were going to be married legitimately in January, couldn't have approval for this thing. Now what is the policy?

**Mr. Makarchuk:** What are the rules anyway?

**Hon. Mr. Rhodes:** I don't know but I am sure I will not be part of it.

**Mr. Eaton:** It's got kind of funny, but seriously—

**Mr. Sweeney:** I can just see that being broadcast in Sault Ste. Marie.

**Hon. Mr. Rhodes:** Aren't you glad you live in Brantford?

**Mr. Eaton:** Seriously, when a young couple like this is trying to acquire a home to start out—they are going to be married—they should have that right when they've been drawn in the lottery just the same as people who aren't married and have been living together.

**Hon. Mr. Rhodes:** Certainly. I agree. Whenever we have a change, we're going to change it.

**Mr. Good:** Has anybody got an answer for that?



**Mr. Makarchuk:** Have they been turned down? They got the lot but they were turned down for the marriage.

**Mr. R. M. McDonald:** I know that in the mortgage corporation we don't really get into the morality of things. Our terms of reference are very narrow—they're not broad. The applicants are restricted to couples with or without children or individuals with at least one legally dependent child living with them at the time of application. The Ontario Mortgage Corp. which approves builders' applications, is pretty strict in its examination of couples living together not from the standpoint of marriage. You must face the fact, when you start to look through credit reports by the hundreds, common law relationships are quite prevalent in society and have been very prevalent for the last many years.

**Mr. Eaton:** I recognize that part of it. I don't question that. We know there are people living common law and so on and they're acceptable. But why, when this couple applied in the draw—the houses aren't going to be built and ready to move in until the time they are married—would they be refused on those kinds of grounds and told something like that at the office?

**Mr. R. M. McDonald:** Because at the time of the draw the advertisement clearly indicates the rules of the procedure of the lottery and they really don't qualify. We have many people applying who really are not married and not living together; they have income limitations, great financial problems, owing a lot of money. It's just a regulation to provide family housing and I guess you have to draw the line somewhere, Mr. Chairman.

**Mr. Eaton:** The ads clearly say it's family at the time of the application?

**Mr. R. M. McDonald:** Yes. I'm not sure that's the specific wording but it is very clear and we could supply you with a copy of the advertisement which the HOME people themselves produce. It's quite clear, though.

**Mr. Eaton:** I think it should be made clear in the ads. Surely to goodness, if a couple isn't married but is going to be married and does apply, somebody in the office shouldn't say, "If you can tell us you're living together, you'll be approved."

**Mr. R. M. McDonald:** I would doubt if anyone at the Ontario Mortgage Corp. said that because—

**Mr. Eaton:** Well, they did.

**Mr. R. M. McDonald:** —the letters I sign rejecting people indicate to me that this isn't the case, because there are a lot of—

**Mr. Eaton:** No, I think somebody was seriously trying to be helpful to the young couple.

**Mr. R. M. McDonald:** Some builders try to be helpful to make the sale.

**Mr. Eaton:** It was somebody in one of your offices.

**Hon. Mr. Rhodes:** The simple matter is that the rules state they are not eligible. You could say: "Let me be eligible for the draw now and I will abide by the rule next year." It is the same thing; someone comes in and says: "I have decided I am going to earn less money next year so let me be eligible for the draw now. I don't qualify now on income but next year I will. I assure you I will take a cut."

**Mr. Eaton:** I don't think that's a fair comparison.

**Hon. Mr. Rhodes:** The rules are there; it is a good comparison. The rules are there and they should abide by the rules; it is as simple as that. I agree with you that's kind of a silly comment to get from the office they phone, but that's the way it goes.

**Mr. Eaton:** I don't particularly agree with the whole policy on it, the way they do that, but—

**Hon. Mr. Rhodes:** I didn't—

**Mr. Eaton:** —I can see that there has to be a line some place; okay, make it clear in the ad that it is married couples or people living common-law. But make it clear so that people don't get led that far down the track with expectations that they are going to have a home when they get married.

I wanted to ask one further question on the point system for admittance to senior citizens' housing. Perhaps you can give us an explanation of that point system.

**Mr. Rose:** The point system is designed to ensure—the philosophy behind it is that the most needy people get them.

**Mr. Eaton:** I am glad you said philosophy. You started to say it is designed that way and then you said the philosophy. That determines the—

**Mr. Rose:** The philosophy is to make sure the most needy get the housing. The actual administration of the system is designed by the allocation of points based on a number of

factors to ensure that that, in fact, is what happened. For example, the quality of the accommodation that the applicant is presently living in is assessed.

**Mr. Eaton:** On what basis? Does somebody go to see it or just on their word?

**Mr. Rose:** Every applicant is visited by a home visitor before their final point rating is assessed. The percentage of income that the applicant is paying in the way of rent—if they are paying 50 per cent of their income in rent, then that is a weighted factor. The health—

**Mr. Eaton:** Can I just break in there and ask a question?

**Mr. Rose:** Yes.

**Mr. Eaton:** Do they weight that on what they are paying based on what the accommodation is worth? If it's a family that is keeping a parent with them in an instance where one or the other spouse has died and they want to get in. The family has taken them in for a while. They are charging less than what they would normally rent the place at to try and help them. But sometimes parents and children don't always go well together living in those kind of circumstances. Do you count it at the value that they could get renting it or what they are actually paying for it?

**Mr. Rose:** I think, Mr. Chairman, if they are actually paying, say it is \$30 a month room and board, that is what is accepted. But, the point is, where they will not be picking up points because of rent, necessarily they will certainly most likely be picking up points on overcrowding and probably the fact that they don't have their own bathroom. There are a number of other factors because this is generally the case with people who are living with their relatives or with their children. Where they may gain on one they may lose a bit on the other.

**Mr. Eaton:** Suppose the accommodations are separated enough—it is sort of an apartment in that house that they would normally rent out to someone else.

**Mr. Rose:** Yes, and say the rent on that would be, probably, \$100 a month.

**Mr. Eaton:** Or \$150 a month, and they are giving it to their parents for \$50.

**Mr. Rose:** Or \$150 a month—and they are giving it to their parents for \$50? Then that is the rent that is assessed.

I think that is a good point because if they have that type of accommodation they are

probably relatively better housed than somebody who is living in a walk-up above a store who may have to have the bathroom facilities down the hall. So, all these are the factors that have to be weighed when determining the points.

The other key factor is health. In a two-storey or a three-storey walk up, for senior citizens, for example, with a heart condition or bad arthritis, the housing could cause worse health problems or not help or have a deterrent effect on the individuals' health. Then, of course, points are given for that.

So these are added up and the lists are made up based on that weighting.

**Hon. Mr. Rhodes:** One of the problems that is created—and I am sure every member in the Legislature has had this problem—is that someone will come to you and say: "I was talking to the housing authority and they told me I had X number of points, and that probably when the next set of units opened up I would be eligible." At the time that they were told that, they would have been. They may have been waiting five years for a unit, but because its based upon need, someone in that community who has only been on the list a month and who suddenly comes into an area of greater need will get the unit ahead of them. That causes tremendous problems, I am sure, for every member of the Legislature.

**An hon. member:** It sure does.

**Hon. Mr. Rhodes:** Many senior citizen clubs feel that we should be changing this point system. Some of the submissions I have had sent to me since I have been minister, and before, say that it should be based on the length of time you have lived in the community and whether or not you have been a taxpayer in that community. In fact, some are even saying you should be a Canadian citizen before you can qualify. The rules they are prepared to lay down are away more strict than we have ourselves right now.

**Mr. Eaton:** There is the other problem we get into in smaller municipalities and townships. As an example, I think of a place like Strathroy, where you are putting in 60 units. The surrounding townships are not part of it, so everybody from Strathroy qualifies first. Do you ever consider approving these units only on the basis that two or three townships around them are also part of it? If Strathroy puts it in and the other two haven't come in as part of it, can you force them to be included with Strathroy?

**Mr. Rose:** The idea here is not to force anything, but to really get the municipalities who are willing to join together in sharing this 7½ per cent subsidy. This has happened, for example, in Kent county, in Essex county, and in a number of other areas. In fact, Vanier is sharing a certain subsidy in the Ottawa senior citizens' home—and this is worked out with the municipalities.

**Mr. Eaton:** Then it's up to the municipalities to both move at the same time—to get their surveys done at the same time.

**Mr. Rose:** No, we can survey a whole area. We may survey several municipalities. We may act as a catalyst in trying to get municipalities to agree that maybe the senior citizens' building should be built at a certain location, so that the catchment area would be from several small municipalities, all of whom would contribute.

**Mr. Eaton:** Glencoe is a municipality that you mentioned before, but there is a township on each side of it. I don't think they are included.

**Mr. Rose:** No, they wouldn't be, because Glencoe gave us the resolution I believe for the senior citizens. Now if the other townships—

**Mr. Eaton:** But on that basis, you didn't at that time look at the map and see that Glencoe is on the line and ask Ekfrid and Mosa at the same time if they were interested.

**Mr. Rose:** Well we can. In fact, with our survey we will have a fairly good idea of the general need in the area for senior citizen housing.

**Mr. Eaton:** But if you do your survey, you are just doing your survey for the municipality that was asked—which was the village?

**Mr. Rose:** Right, but sometimes research takes you into looking at census tracts. Census tracts may cover a much broader area—for example, the people who are in receipt of GAINS and old age pensions, or the old age pension supplement, the GIS. This type of research tends to, in the smaller communities, spread out into other areas.

**Mr. Eaton:** The formula works much the same way on the rental accommodation. Is there consideration given to the amount a person's paying for the accommodations they are renting? In other words, suppose we have two fairly equal units and one person's paying \$100 and the other is paying \$150 with equal income. The person who is already paying

out \$150 and tightly squeezed financially; would they get extra points toward—

**Mr. Rose:** Yes, they would get more points than the person paying the \$100.

**Mr. Eaton:** Once again, you get into the same sort of thing that was referred to previously on the rental accommodations. I guess the same thing applies. If somebody comes along with a greater need, and someone else has been waiting for four or five years—

**Mr. Rose:** Yes.

**Mr. Makarchuk:** I would just like to start the discussion on the Maxwell Henderson report or the McKeough report—I am not sure whose report it is. In one of the statements in there it says that it will be desirable to encourage the production of a lower proportion of rental accommodation in relation to other starts. As you know and I know, construction of rental units has declined since 1971 to something like 36 per cent of the total starts. I just wonder what your personal philosophy is, in view of the statements in the report, in that sense.

[9:45]

**Hon. Mr. Rhodes:** I think we recognize without any question that one of the big areas of need is rental accommodation. We're just going to have to continue on in the face of that report and do what we can to get rental accommodation going; not that we're off to a good start.

**Mr. Makarchuk:** What you are saying then is that in terms of rent-geared-to-income housing and so on, you will continue the same level of construction as you have in the past and possibly increase it. Is that correct?

**Hon. Mr. Rhodes:** Yes, that's correct.

**Mr. Makarchuk:** So, in effect, you do not agree with the Henderson report then?

**Hon. Mr. Rhodes:** I don't agree that we should be cutting back on the provision of rental accommodation, no.

**Mr. Makarchuk:** How about the moderate-income housing? That was the other aspect of the report, where it stated there should be a cutback. Actually it said we should end the involvement in the production of moderate income housing. Do you agree with that statement?

**Hon. Mr. Rhodes:** Asking me that question is like walking into a beverage room and



saying, "Who is in favour of beer?" I have a responsibility and I am going to hang in there and say no, I think that we have to be involved in the provision of moderate- and low-priced housing. The federal government is going in that direction too.

**Mr. Makarchuk:** Is it going to be a matter that you are going to depend more and more on the federal government to provide the financing and everything else, or is the province going to take new initiatives? Or more energetic initiatives?

**Hon. Mr. Rhodes:** I think we are going to continue with our programmes and hope that the federal programmes will complement them.

**Mr. Makarchuk:** The other item from the report is that it says Ontario should stop all advance purchasing of land for provincial programmes—including housing and parks and so on—and it should sell its existing land. We touched on that earlier, in the first vote, and some things were brought up by the member for Kitchener (Mr. Breithaupt) and others regarding the sort of frustration felt by many people about the fact that there's not enough land for housing.

I think, Mr. Minister, something that I can stress to you is that if there is an inadequate amount of land for housing it's because—as I've said before and am saying again—of the fact that the land is held in many communities—in the Niagara region, in the Kitchener area, in the London area, in the Brantford area—by two, three or four major developers who are not prepared to put the land on the market. I think there's good evidence from the reports that we have, from the SPURR report, as I mentioned earlier, to indicate that there is an adequate supply of land but the problem is that they are making more money the way they are putting it out in a minimal number of lots and really pushing it out at an increased rate.

One of the reports in the conference that was held at York University on public land ownership—this is the report by Neil Roberts of Osgoode Hall law school—suggests that the only way you are going to shake loose the land is if the public agencies control or own about a third of the developable land in the community, and having that amount of land they are then in a position to affect the market, in the sense of lowering the price and putting the land out on the market.

The other thing they point out—and I think you are probably aware of this—is the fact that the city of Saskatoon got involved with

land purchasing at an early time and as a result of that is able to provide land and housing probably at the lowest price of any community in Canada today. I think in certain circumstances—I presume Toronto would be an example of this—it would be difficult for the province to acquire new land. But I think that there are still communities in Ontario, small communities but not necessarily that small—I was referring to London, Kitchener, Brantford, Cambridge and I think the Niagara region—where land can still be purchased at a reasonable price provided you go out and start purchasing it at this time and start building these land banks for future use.

As habit, I think you should have a certain amount of land in stock and on hand; at the same time you should be trying to dispose of your present lands and putting them on stream. I think most of the land sites that you have now, or at least I think you have, are either adjoining or close to areas that are developed and it's just a matter of extending services.

Could you give some indication, in terms of the housing starts in Ontario this year—they are dropping—just exactly where you have specific plans to institute some major developments of your own properties in the next few months, putting your own properties on stream?

**Hon. Mr. Rhodes:** I will have to turn to Mr. Riggs.

**Mr. Riggs:** Starting down at the southwest of the province and moving across the province, we have a fairly active programme in Windsor which is helping to stabilize prices in Windsor. As we move up through London, I think the market there has been stabilized for the last two or three years. Prices in London are still extremely reasonable—there is an adequate supply of land there, from my understanding of the market. We had some land just coming on stream, not next year but in 1977, because of a major storm sewer required.

**Mr. Makarchuk:** In London?

**Mr. Riggs:** In London.

**Mr. Makarchuk:** This would be a HOME project.

**Mr. Riggs:** Yes it would. I am eliminating senior citizens and families because we work on resolutions of councils, and we do our best to find sites as quickly as possible to respond to those resolutions.

In Saltfleet, in Hamilton, we are continuing our major programme in that area. In Malvern we will continue our programme again. This year we have just made two calls for a total of about 1,500 units in Malvern of all types. Next year we hope to have additional units in Malvern, in Etobicoke and—

**Mr. Makarchuk:** How many in Malvern next year?

**Mr. Riggs:** I don't know offhand, I'm sorry. It will depend entirely upon the good graces of the mayor of Scarborough and his ability and willingness to provide us with approvals on our neighbourhoods, sir.

I wouldn't want to talk about numbers because these neighbourhoods have to be approved and the sub-division agreements signed with the municipality of Scarborough. At the moment the future is somewhat unknown until the whole financial structure of what the municipality is prepared to go along with on our next neighbourhoods. We will have land in Etobicoke, in Nork York, which will go on stream next year—this is part of Thistletown and Edgeley, and as I said, Etobicoke.

**Mr. Makarchuk:** Roughly how many units does that add up to?

**Mr. Riggs:** The Etobicoke and Edgeley properties I think combine to about 500 or 600 units. Malvern? Unknown.

As we move across the province, we have land in Guelph, once again that is coming on stream in 1976. We have land in Sudbury—

**Mr. Makarchuk:** How many units in Guelph?

**Mr. Riggs:** About 140 units.

Moving up north, the municipality has land in Sault Ste. Marie which will be coming on stream I believe next year, and we with the—

**Mr. Eaton:** Probably be the first ones.

**Hon. Mr. Rhodes:** Certainly had us that time, I'll tell you that.

**Mr. Riggs:** —municipality have just undertaken a major land bank in Sault Ste Marie. I think I have mentioned we have lots in Sudbury which are now on stream.

**Mr. Makarchuk:** How many in the Soo?

**Mr. Riggs:** In the Soo? I don't know how much the city has—

**Mr. Makarchuk:** Maybe the minister might know.

**Hon. Mr. Rhodes:** That's municipal up there. I really take exception to that because the one thing I don't own, never have owned, is property. I have a share in one lot, me and CMHC.

**Mr. Riggs:** The acreage that we and the municipality are acquiring in Sault Ste. Marie is about 500 acres—

**Mr. Makarchuk:** I see.

**Mr. Riggs:** —which would give that municipality the kind of leverage you have mentioned.

**Mr. Makarchuk:** What you are saying is that in 1976 you are going to have some of this land—

**Mr. Riggs:** No sir. The municipality has their own small tract of land which they have been working on which will be on stream in 1976. I don't know the number of lots.

**Mr. Makarchuk:** All right.

**Mr. Riggs:** In Ottawa we have a continuation of our own Glen Cairn lands, which amounts to a couple of hundred lots, and some block lands which will produce townhousing. We also have the Borden farmlands for 1977.

**Mr. Makarchuk:** In Ottawa?

**Mr. Riggs:** In Ottawa, which will produce another 200 or 300 units.

My memory is running out, so if you will pardon me I will look through my records now. We have some land in Niagara Falls which is due to come on stream in 1976—that is a couple of hundred units. Those are the major ones. We have some smaller properties we are working on in Cornwall, Dryden, Ear Falls and Iroquois Falls. We are finishing up a project—as you know yourself, we have the remaining lots in Brantford, about 150, which will probably be coming on stream in the spring. That is a cross-section of what the HOME plan looks like in 1976.

**Mr. Makarchuk:** If you look at it that is not a heck of a lot if you expect to build 110,000 units in Ontario. Going by your figures, assuming you are going to get 1,500 at Malvern, 140 at Guelph, 200 in Ottawa, some in the Soo, another 300 in Ottawa, 76 in Niagara Falls and 150 in Brantford, you are going to have probably 2,500 units, if

that. In terms of the effect you are going to have on the market in Ontario it is very negligible. It is minimal. You are not really dealing with the housing problem, are you?

**Hon. Mr. Rhodes:** those are only the HOME programmes. That's only one programme we are talking about now. This is the HOME programme only. As Mr. Riggs pointed out, we weren't talking about the senior citizens' units, the rent-geared-to-income units and the other programmes—the OHAP programme—and all of these which will be coming on stream as well during the same time period.

**Mr. Riggs:** I think to be accurate—and I don't like getting into the numbers game—this year, with the federal and provincial governments, we are probably close to 45 per cent of the housing starts in Ontario. Now federal-provincial is OHAP, AHOP, HOME, rental and our accelerated family housing programmes which are rental. I have to use all these terminologies because these are the programmes which have both confused and helped people.

**Mr. Makarchuk:** Right. Are you expecting 60,000 starts in Ontario? Or 80,000 or 100,000? Or do I gather the minister is not going to get into the numbers game?

**Hon. Mr. Rhodes:** No, you are not going to trap me into that—

**Mr. Makarchuk:** I don't want to trap you.

**Hon. Mr. Rhodes:** —and then lash me with it about six months from now. No, we will build just as many as we possibly can.

**Mr. Makarchuk:** At the end of next year you will be able to tell me how many housing starts you had in Ontario.

**Hon. Mr. Rhodes:** You will know by then.

**Mr. Makarchuk:** Yes, of course.

**Hon. Mr. Rhodes:** We will all know together.

**Mr. Makarchuk:** Absolutely, Mr. Minister, but it's not going to do—

**Hon. Mr. Rhodes:** Honestly, I don't want to be facetious or light about it. It is simply this: There is no point in saying we are going to build X number of units because God knows what may happen; whether they are going to be built or not I can say to you that we are going to build as many as we possibly can with the resources we have available and in conjunction with the resources made avail-

able to us by the federal government. We will build as many as we possibly can.

**Mr. Makarchuk:** I think that is exactly the statement made by all your predecessors in this government for years and years. They said exactly the same thing or they meant the same thing. Maybe they have said it in different words.

The point is you are not resolving the housing problem this way. You will have to put on a very energetic programme. If you are going to dabble in 200 units here, 140 there, 76 here, that is not going to have any kind of effect. You are going to put 76 units in Guelph but probably their annual consumption is close to 600 or 700 units, something of that nature, in terms of housing starts. According to some of the evidence available, if you are going to have any kind of effect there, you are going to have to start working in terms of 300 or 400 units.

**Hon. Mr. Rhodes:** But we are not supplying all of the housing. We are doing a portion of it. The private sector certainly is very active in those communities building houses. Certainly in most communities.

**Mr. Makarchuk:** Yes, in fact there isn't a housing problem in Ontario. I can get you all the housing you want, providing you have about \$65,000 to pay for a unit.

**Hon. Mr. Rhodes:** You might in this area, but I can take you to many communities, delightful communities, where they don't pay \$65,000.

**Mr. Makarchuk:** No, but for \$65,000 I can assure you of housing in just about every community. You don't have to pay that amount. The problem in Ontario is that the housing which you have right now, the housing coming on stream from the private sector, is not affordable. That is your big problem.

What I am trying to suggest here is the only way you are going to get the price of housing down to a level where more people can afford it—let's say, the middle income, perhaps, can afford it—would be to get yourself involved in housing in a very serious way.  
[10:00]

**Hon. Mr. Rhodes:** No. The real way to do it—and you know it and I know it—is to get the blasted interest rates back down to where they are not paying these exorbitant fees. A house in ratio to the average income today is probably no more than it was 10 years or



15 years ago, as far as the total amount of your gross income goes.

**Mr. Makarchuk:** For the cost of the house—

**Hon. Mr. Rhodes:** It's liable to cause a war if you start paying 12 per cent or 12¼ per cent interest on that as opposed to six or seven per cent. That's where the crunch is.

**Mr. Makarchuk:** Okay, Mr. Minister, I'll agree with you that the interest rate is important. Perhaps, you can start legislating, putting more private money into the housing sector, as Danson said. Perhaps you should consider permitting the credit unions an opportunity to come in with a competitive edge in providing interest. Are you prepared to recommend this to your municipalities?

**Hon. Mr. Rhodes:** We have already said that we will permit it.

**Mr. Makarchuk:** That you will permit the credit unions to go into the mortgage business?

**Hon. Mr. Rhodes:** We've already said that.

**Mr. Ruston:** They are already in it.

**Mr. Eaton:** In my community the credit unions are already in the mortgage business.

**Mr. Makarchuk:** They are? All right, I'll check that out then.

**Hon. Mr. Rhodes:** We've already stated publicly, in conjunction, again, with the federal government, that we would enter into the same sort of approach that they have in encouraging those financial institutions that are chartered in Ontario, such as credit unions, to put more of their money into mortgages. Many of the credit unions are doing a really fine job in that area. It's the insurance companies that haven't.

**Mr. Makarchuk:** All right. We could slough it off to the high mortgage rates and they do add to the monthly payments.

Getting back to the land costs. As I said earlier, you can take Brantford as an example. You're putting a single-family unit at \$9,600 for land costs when the private developer is selling that land for at least \$10,000 more. You cut that off the total costs of your home and that brings it down to a lower level where it allows more people to qualify for housing.

This is why being involved in land is so important. This is why the fast development of existing landbanks is important; the future acquisition of land for landbanks is important.

This is why you're going to reach a state in Ontario where, if you're going to resolve the housing problem, you will have to look very seriously and possibly treat a lot of the housing market, the land for housing, the same way as a public utility. It's almost in the same sense as you have at Ontario Hydro where you will have to start providing land for housing at cost or ensuring that it's provided at cost.

One of the few things, perhaps, you could suggest is, let's look at land owned in Ontario by foreign nationals. That's a good point. If we start looking at that very seriously, then perhaps we can shake loose a lot of this land that is tied up around Toronto. I gather the figure is around 40,000 acres of land that is tied up, not necessarily by foreign nationals, but by various groups. If we question whether they should be permitted to own land in Ontario that might loosen up some more land into the market.

**Hon. Mr. Rhodes:** I just want to make a point on landbanking which you spoke of before. You asked me a question. Then you went on about what our position was in landbanking. As far as this ministry is concerned, we think that the holding of the land that is now in public ownership should be kept. We should be retaining land owned by the province and certainly put it into housing.

It's kind of a strange thing. We're between two stories. I recall not too long ago, and perhaps one or two gentlemen from the Liberal Party, or the chairman, will point out, that during the last election campaign one of the big points that was being made was that the Province of Ontario had 100,000 acres of land in banking. We should stop landbanking and take the money that would ordinarily be used to put more money into banking and service 100,000 acres. So you see, you've got two sides of the coin while approaching it.

**Mr. Makarchuk:** I'm not sure what the Liberal members said, but I think your figures in terms of landbanks—you have something like about 20,000 acres or 21,000 acres, is that right?

**Hon. Mr. Rhodes:** That's OHC that has 21,000 acres.

**Mr. Makarchuk:** That's right. That's land that's suitable for housing. This is the land we're talking about and you probably have a lot more land in your possession for various other projects. This is the land I'm referring to.

I will go from there and discuss the matter of tenants on housing authorities. What is your policy on this? Is there going to be any kind of change? There is the odd exception. You've got Ottawa, Windsor and someplace else where you have permitted tenants on housing authorities. Will you permit tenants to go on housing authorities in other areas or will you direct the local housing authorities to permit tenant representatives on these groups?

**Hon. Mr. Rhodes:** We have no objection. There is no regulation against them. It is not a question of us not permitting them at all. You recognize, I'm sure you do, the method of a person being appointed to those housing authorities.

**Mr. Makarchuk:** Would you pass regulations to the effect that one or two representatives of the housing authority would be representatives of the tenants?

**Hon. Mr. Rhodes:** We don't have total control over that.

**Mr. Makarchuk:** Certainly you have.

**Hon. Mr. Rhodes:** No, we don't. The municipality makes an appointment, the federal government makes an appointment and we make one, and as people keep dropping out and the complement turns over, the right keeps rotating as to who makes the particular appointment. There is a misconception over the fact that we operate the whole thing.

**Mr. Makarchuk:** Surely if you were really serious and if you really wanted to have a tenant representative on the board, you could put your foot down and send a memo out to your authorities and tell them "Look, we want tenant representatives," instead of what you have—a lot of hacks—in many cases.

If I may digress a little bit, one of the most depressing sights I've ever seen was going to some of your OHC conferences as an alderman and watching a group of doddering old people, reasonably dedicated I would imagine—and I'm not criticizing them for being old—but certainly out of tune, completely out of tune with what the heck is going on in tenants' rights, in housing developments, etc. You've got them on these various authorities in the province. That's one of the problems of the Conservative Party in Ontario.

**Hon. Mr. Rhodes:** Oh no.

**Mr. Makarchuk:** —because, on your conservation authorities and various groups,

you've got this collection of rather old hacks who can't really come to grips with problems, who can't make a decision on anything, and you float. It's like if you read Gogol's novel, "The Inspector General." You have that kind of a situation.

**Hon. Mr. Rhodes:** That's wrong. The reason that's wrong—and I have to take you to task—

**Mr. Eaton:** Does Brantford have a tenants' council?

**Mr. Makarchuk:** We never had a chance to appoint anybody.

**Hon. Mr. Rhodes:** You certainly did.

**Mr. Makarchuk:** No we didn't.

**Hon. Mr. Rhodes:** You certainly did, and obviously the mayor didn't inform his council and the council wasn't aware of what the rules and regulations were.

**Mr. Makarchuk:** The mayor didn't dare do anything without informing his council.

**Hon. Mr. Rhodes:** Never mind, obviously he did. The other point is, on the question of the housing authorities, it's not a uniform sort of setup across the province. I can take my own community as a good example. I must go home and tell that chairman you think he's a doddering old political hack; he'll come down here and cut your ears off, I'll tell you that, and nail them to the board. He happens to be the president of the Sault Ste. Marie and District Labour Council and is an extremely competent young man.

Also on that same authority are two senior citizens who were recommended to us by the senior citizens groups in the community to protect their interests. There is one lady on there who, in fact, is an OHC tenant. So don't say they're all hacks.

**Mr. Makarchuk:** All right, then maybe you have the odd one who is representative, but basically that is what it is. One of the most amusing experiences I had was sitting in on a meeting where there were tenants present and the discussion was on the possibility of appointing tenants to the housing authorities. There were various representatives—your representatives—getting up and sort of bleating about, "We can't really trust them. We don't know whether they should be on it." It was the attitude of, you know, the white niggers of North America. I got into the discussion for the simple reason that while these people were saying you can't trust the tenants' rep-

representatives, the Globe and Mail was carrying an article about OHC officials getting payoffs, or gifts, or something like that. So we sort of raise it, if you can't trust them you obviously can't trust these either.

**Hon. Mr. Rhodes:** You should separate the two—let's not do that—the OHC is one group and the housing authorities are another.

**Mr. Makarchuk:** All right, but let's put it this way, that there is a relationship.

I want to touch on one other thing—the matter of rent scale. Are you planning or anticipating any changes on these things? In the rent-geared-to-income housing, are you going to stick to the current rents that you have, in terms of 25 per cent of income, or are you going to bring about any change?

**Mr. Riggs:** At the moment, Mr. Chairman, the scale was changed about three years ago. Previously, as the member may know, it was 30 per cent of income. It was reduced to a scale of from 16 to 25 per cent of gross income, less certain deductions. So it is not really gross income. Central Mortgage, we are advised, is looking at the scale, which is a federal-provincial scale, and we are looking at it because we were advised by CMHC. We know that FOTO, which is the Federation of Ontario Tenants, has submitted certain recommendations to my minister on their recommendations.

**Mr. Makarchuk:** What is the nature of that? What are you doing with their recommendations? Are you coming with a counter-proposal? Are you looking at them?

**Hon. Mr. Rhodes:** I think we really have to wait and see what CMHC is planning on doing before we can make any move, because they are a huge partner in this operation. They are much larger than we are.

**Mr. Riggs:** This is a national scale, and we have been advised by CMHC that they will be coming forth with something, hopefully in the very near future. I'll leave it at that.

**Mr. Makarchuk:** What you are saying is that before you make any decision on the rent scale, you will wait to see what CMHC intends to do in the very near future.

**Hon. Mr. Rhodes:** Really it is what they are going to propose to us. Considering it is 90 per cent of their money, we do think we should let them have some say in the thing. They are carrying out a study on it now, too.

**Mr. Makarchuk:** I would like to raise also the matter of the difficulties with the Kingston housing authorities. This is another one of your enlightened housing authorities, I gather. You may remember the Peters report which was published in the Kingston Whig-Standard. It was rather highly critical of the management of the housing authority and some of the things they were doing. They felt their only concern was to make sure they collected the rents. There was no co-operation, and so on. Are you planning on doing anything in that situation now?

**Mr. Rose:** Perhaps I could report that there were some 14 recommendations in that report. Possibly I could just give you a brief summary of what has happened with respect to the report.

The corporation made 14 specific recommendations to the Kingston housing authority and they have all either been implemented or are being implemented. The filing system, for example, was out of order, and that has been corrected. The matter of bringing in members of the authority staff, the tenant placement, community relations and housing manager, for training was done. They were brought into Toronto and given training here so the selection and placement of tenants could be carried out in a more equitable manner. That involves the whole tenant selection process, items 2 to 5 of the report. I would like to report that those have been implemented.

**Mr. Makarchuk:** Are you changing any of the top management or at least are you changing their minds? I gather from one of the comments by the board chairman that he reiterated his philosophy that the housing authority is not a social agency. "The greatest thing we can do is to make sure that they [tenants] pay their rent," he said.

Obviously the people who manage these housing authorities or these geared-to-income complexes can be very useful and can help to overcome a lot of problems if they have a certain sense of responsibility and understand the social dynamics of developing these things. But if you have people who think that way and talk that way and naturally act that way, you are going to cause problems. I think this is where you have to move in or do something about this thing.

**Mr. Rose:** I think that the philosophy you are espousing was that of the previous chairman, who, I understand, has resigned.

**Mr. Makarchuk:** Oh, I see.



**Mr. Rose:** There is a new chairman of the authority. I am aware of the social implications.

**Mr. Makarchuk:** You are not going to be taping the calls from tenants who are complaining about services any more. I gather that's not going to happen.

**Hon. Mr. Rhodes:** Mr. Rose, I want to interrupt. I don't want this to go on the record as appearing that we sat here docilely and listened while the member told us about, "you this" and "you that." We aren't the "you." The "you" is the housing authority. The housing authority in the individual community runs the operation and hires the general manager. It's not the provincial government.

**Mr. Makarchuk:** And you have nothing to do with it?

**Hon. Mr. Rhodes:** We have, insofar as supplying the units goes and hopefully keeping some sort of a handle on the thing; but we attempt, to the best we can, to allow the local housing authority autonomously to operate their system. We give them some guidelines.

**Mr. Makarchuk:** Surely if you see situations like this developing, you send in a representative, one of your representatives to do an investigation and find out if there is something wrong.

**Hon. Mr. Rhodes:** We do something about it.

**Mr. Makarchuk:** You do something about it.

**Hon. Mr. Rhodes:** Exactly.

**Mr. Rose:** That's been done.

**Mr. Makarchuk:** All right. That's good. I'm glad to hear that. Hopefully the situation is not going to persist.

[10:15]

**Hon. Mr. Rhodes:** Can I give you some figures on something we talked about a little earlier? We were talking about the cost of housing, incomes and interest rates. CMHC figures will show that between 1961 and 1975 house prices went up 142 per cent; the average income up 192 per cent and the annual carrying charges went up 298 per cent. There sure are some figures in that interest rate.

**Mr. Makarchuk:** That's right. Do you think that the amount of income that is sup-

posed to go to housing, the traditional 25 or 27 per cent of the income that should be on housing, should be changed? Are you considering raising that level too or have there been any considerations within your department as to whether that figure perhaps should be lowered or remain the same.

**Hon. Mr. Rhodes:** CMHC is carrying out a study now on just that very matter.

**Mr. Makarchuk:** When will that report be ready?

**Hon. Mr. Rhodes:** I have no idea what progress has been made. They told us the end of October, but we don't have it.

**Mr. Makarchuk:** The end of October 1979!

**An hon. member:** Go over to Mike Cassidy's office—

**Mr. Makarchuk:** What is the minister's feeling regarding non-profit housing? My feeling is that if you have land banks or land for HOME purposes, you should consider, if approached, offering some of this land to co-op or non-profit housing developments, whether financed publicly or privately or sponsored by some community group. Could the minister give me his thinking on that?

Say in Malvern, some group in Toronto decides to put up a non-profit or co-op housing project, would you be prepared to give up a certain portion of your land to them at cost for that kind of a development?

**Mr. Riggs:** Mr. Chairman, we have done that in a number of cases so far, perhaps not to the same extent that is being suggested. I would like to quote a couple of examples of the way we have tried to help non-profit groups.

In the case of the Chadwick Towers cooperative in East York, that non-profit group had received a startup grant from CMHC. It entered into an option to purchase some land but, because a rezoning problem and their closing date didn't occur simultaneously, they came to the ministry and asked how we could help them. We purchased the land prior to the OMB hearing and rezoning. As soon as they received their rezoning, we turned the property back to them. So in an interim financing situation on land, the ministry assisted that particular co-op.

**Mr. Makarchuk:** In Guelph, Brantford or Niagara Falls say, or in any other place where you have land, if a non-profit housing group came to you where you have land and it is in the process of being serviced or going on

stream, would you be prepared to turn over some of that land to—

**Mr. Riggs:** If I can finish my remarks, I think I will clarify the whole issue here. In the case of a parcel of land that we had in Scarborough, the Brotherhood Foundation came to us and asked if they could purchase that piece of land, and we sold it to them.

In the case of a piece of land we have in Thistletown, the Labour Council Foundation have come to us and we are prepared to turn that over to them, subject to CMHC approval, at cost. We have also reserved a couple of other parcels in other parts of our land assemblies, and so far we are discussing it with a number of various non-profit groups.

The reason we have not finalized any land policy formula is that, going back perhaps to the Maxwell Henderson report, we don't want to duplicate federal programmes. The federal programme, which was announced last year, indicated that the federal government was prepared to purchase parcels of land for non-profit groups in Canada and write those lands down to the point necessary to support rents. We have not received the regulations from CMHC to date.

We are working on sort of an ad hoc basis with those groups on those parcels of land we had identified, and we would hope those regulations will come forward as soon as possible. There were funds for that purpose in the last federal budget to the tune of something like \$35 million. I don't know if any of it has been spent.

**Mr. Makarchuk:** Okay. This ministry has allocated something like \$500,000 in 1974 to increase non-profit production, and you had this advisory body which had a clash with the previous minister. Are you going to be providing funding for groups in Toronto to proceed to develop non-profit housing projects?

**Hon. Mr. Rhodes:** Quite frankly, I can't tell you what stage that is at because I have not had the time to get into that sort of development. I want to ask Mr. Riggs if we are going to be doing that; because if we are, great.

**Mr. Riggs:** I have to go back a bit. I am sorry, but I think it is necessary to do so. First of all, the advisory committee is still meeting.

**Mr. Makarchuk:** How much money are you going to give them?

**Mr. Riggs:** I have no idea. But let me put it this way. We have already made some grants, and I think we are proceeding with the advisory committee along the lines of trying to lay down guidelines that CMHC, the advisory committee and we agree upon. Now, there is a programme called CROP—Community Resources Organization Programme. It is a federal programme, and it does the same thing.

**Hon. Mr. Rhodes:** That is awful close.

**Mr. Riggs:** My last minister wrote Mr. Danson, the Minister of State for Urban Affairs, and we have now reached agreement with CMHC. So our two programmes will be mutually complementary, rather than being counter-productive. We have reached consensus with the advisory committee on some guidelines for the spending of resources; but we have also made some grants, which I think are indicative of what we are trying to do here.

**Mr. Makarchuk:** Can you tell me what you are doing with the Don area co-op housing project—that is the DACHE group?

**Hon. Mr. Rhodes:** I met with that group not too long ago. I had a discussion on what their problem is; what their situation is. As we stand right now, the re-evaluation of their project was being carried out by Central Mortgage and Housing. We are waiting for that to come in; and we are re-evaluating it as well.

**Mr. Makarchuk:** I see. When would you have some definite answer?

**Hon. Mr. Rhodes:** We have to have it for them very shortly, because I think they are rapidly running out of time—the end of the year. There is a deadline; and I think we have to know ahead of that.

**Mr. Makarchuk:** Your sympathies are with them and not with the Minister of Government Services (Mrs. Scrivener)?

**Hon. Mr. Rhodes:** My sympathies are with neither. I didn't know about Mrs. Scrivener's sympathies. But I have met with the group and found them to be very easy to talk to and they explained their position very clearly.

**Mr. Makarchuk:** They probably say the same thing about you, Mr. Minister.

**Hon. Mr. Rhodes:** They were really nice people I talked to.

Mr. Makarchuk: Thank you.

Mr. Chairman: Mr. Breagh.

Hon. Mr. Rhodes: I want to go for a ride in your yacht.

An hon. member: That is not a yacht.

Hon. Mr. Rhodes: Well, the Queen Mary then.

Mr. Breagh: It is a socialist battleship.

Hon. Mr. Rhodes: If it is, I know what it is armed with.

Mr. Breagh: I yield to an expert in the field.

Hon. Mr. Rhodes: In the field is the right word, too.

Mr. Breagh: I know. I want to touch on a couple of areas.

Mr. Angus: You will get to one, if you are lucky.

Mr. Breagh: Yes, probably. This matter seemed to crop up in the course of discussions several times tonight. It is how senior citizen units get up. Let me document a couple of cases for you.

In the city of Oshawa, where we actually have a substantial number of units, we have a case which I hope is not what usually happens. A request was made to establish units, I think some three years ago. Surveys were done, a resolution to the municipality; all of that.

After about a year of attempting to get someone to find a site, the city gave up on that process. It actually proceeded to put a site together, turning it over to OHC, because it was really the only mechanism available in terms of trying to get something done.

It seemed at that point in time, since I was on the committee that did that work, that it really was in part a staff problem. There were not enough people to go and look at the sites, or at least able to really round out a deal and get it signed and sealed. The city happened to have staff that could handle that job and did it. We thought we were happy that a long-standing need of our community would be met in short order. I think that was started in the fall of 1973, and I think the deal was finally signed in 1974.

We had waited a long time for this, and when the design stage came we brought in

our senior citizens club; we had your officials meet with those people to talk about it. Obviously, there had been previous discussions about the location of the site. We went to some great pains to see that our own senior citizens participated in the design, as much as they could, of that particular project. We thought we were in business.

It turns out that we weren't really in business; there has been a continuing delay in terms of getting a site plan agreement signed—which I understand is not yet signed. We also ran into some other odd problems that I don't think should have happened. We found OHC officials who would co-operate with the city's executive committee and planning and development committee all the way through, and then found an alarming tendency to have those very same people go outside the door of the committee room and complain to the press that they couldn't afford the project in the city at that late date.

They were aware of things like lot levies. They were aware of what the servicing cost was. That was understood at the time the site was put together. That was not an unknown quantity.

What we're into is something that has just recently been completed in the town of Whitby as well; that is having a municipality go the full route of getting the property together and doing everything that was required. You have to appreciate, and I think you do, that senior citizens' housing is an extremely sensitive thing at a local level.

In other words, you can come to Toronto and deal with it as we're doing here and it may be something that you understand. But at a local level, they're knocking at your door, the old people, and they're sometimes kind of cranky and they voice their complaints. What it's turning out to be, though, is that they're being used as a bit of a pawn in this game.

I understand now that that project in Oshawa has gone to tender; that you do have a price and that you have, in fact, awarded a contract on that one. I understand too that the game plan now is that you're going to go back to the municipality and make the argument that what you said last February in the hall was correct. I hope that's not true, because in Whitby where they have just finished the set of negotiations, the counsel there referred to that as blackmail. They had to, in fact, help to subsidize the provincial project in terms of servicing costs.



I don't really think that's a reasonable way to go about your business. Maybe it is and maybe it isn't, but I'm suggesting that process took a lot longer than was necessary. Our people are looking at something like a completion date 18 months from now. That's a long time for something that really should have been put up this year and really wasn't.

I'm not sure that OHC really acted, if you like, as sensitively as they ought to have in that particular situation. There was a lot jockeying around. It was, I admit, a difficult process; but it sure wasn't made any easier by OHC.

The end result, really, is that those people who really are very much in need of accommodation are the ones who suffer. The municipality isn't going to suffer, except for the politicians who will take a lot of flak. The people who need that housing are really going to pay the price for that little bureaucratic screw-up that went on.

**Hon. Mr. Rhodes:** It's interesting you should say that, the question of who's suffering from it, and I think you're right. The units aren't there. The people who need the units are suffering.

But part of the responsibility for the housing not being there is just as much on the shoulders of the municipal politicians who insist that for senior citizens they should charge the same sort of imposts as they would for some developer putting up a high-rise apartment building that's going to make a whole lot of money. Surely, we all have to share in the social conscience. I would say the municipality is very narrow in its thinking that they can put what I consider to be an atrocious impost fee of \$3,000 per lot. It is the highest in Ontario.

**Mr. Breagh:** It isn't \$3,000. Let me put this to you because I think we've made a very valid point.

**Mr. Chairman:** I hope you can do it in one minute.

**Mr. Breagh:** If that is your case and that is your valid point, why in God's name has

no one from your ministry ever gone to the city's executive committee in a formal way and asked the city to do that? You never have. No one from OHC has ever been before that executive committee or the council and in a formal or informal way made the case.

**Hon. Mr. Rhodes:** It that's so, then there is no reason in the world why that hasn't been done and it should be done. There should be a real open, free discussion between the OHC people and the city officials to settle that silly squabble.

**Mr. Makarchuk:** The member for Oshawa will set up the meeting date for you.

**Mr. Chairman:** It is now 10:30 p.m. Shall vote 804 carry?

Vote 804 agreed to.

**Mr. Chairman:** Shall vote 805 carry?

Vote 805 agreed to.

**Mr. Chairman:** That completes the estimates of the Ministry of Housing. I want to thank the committee for being so co-operative with the Chairman during the last 14 days. I'd like to also remind the committee that—

**Mr. Eaton:** I thought you were going to invite us somewhere.

**Mr. Chairman:** —we will be sitting Dec. 3 from 10 a.m. until 10:30 p.m.; from 10 to 12, 2 to 6, 8 to 10:30, for the Workmen's Compensation Board.

**Mr. Angus:** Before we adjourn, I would like, as a member who sat through the four estimates in this committee, to compliment you on the way you've developed in your position as chairman. I hope I'm not quoted on this but I thank you on behalf of my colleagues of all three parties. I think you've done a magnificent job, and the deputy chairman as well.

**Mr. Chairman:** Thank you very much.

The committee adjourned at 10:30 p.m.

## CONTENTS

---

**Thursday, November 27, 1975**

Housing development programme, concluded .....	S-663
Home buyers' grant programme .....	S-691
Adjournment .....	S-691

## SPEAKERS IN THIS ISSUE

---

Angus, I. (Fort William NDP)  
 Breagh, M. (Oshawa NDP)  
 Bullbrook, J. E. (Sarnia L)  
 Burr, F. A. (Windsor-Riverside NDP)  
 Deans, I. (Wentworth NDP)  
 di Santo, O. (Downsview NDP)  
 Drea, F. (Scarborough Centre PC)  
 Eaton, R. G. (Middlesex PC)  
 Good, E. R. (Waterloo North L)  
 Johnson, J. (Wellington-Dufferin-Peel PC)  
 Kennedy, R. D. (Mississauga South PC)  
 Makarchuk, M. (Brantford NDP)  
 McEwen, J. E. (Frontenac-Addington L)  
 Newman, B. (Windsor-Walkerville L)  
 Rhodes, Hon. J. R. Housing (Sault Ste. Marie PC)  
 Roy, A. J. (Ottawa East L)  
 Ruston, R. F. (Essex North L)  
 Sargent, E. (Grey-Bruce L)  
 Shore, M. (London North L)  
 Sweeney, J. (Kitchener-Wilmot L)  
 Wildman, B. (Algoma NDP)

### Ministry officials taking part

McDonald, R. M., General Manager, Ontario Mortgage Corp.  
 Riggs, R. W., Assistant Deputy Minister, Housing Development  
 Rose, J. B. S., General Manager, Ontario Housing Corp.









## SUPPLY COMMITTEE

# DEBATES AND PROCEEDINGS

of the

First Session of the Thirtieth Legislature

of the

Province of Ontario

October 29, 1975 - November 27, 1975

# INDEX







## INDICES

By Subjects .....	3
By Speakers .....	15

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, Q.C.

THE QUEEN'S PRINTER  
TORONTO

1976



## By Subjects

### Accidents, occupational

Bounsall 206; Cleverdon 241-3, 246;  
di Santo 231-2, 240-2; Haggerty 206;  
Johnson 230-1; R. D. Johnston 243, 245;  
Lupusella 242-3; Mackenzie 245-6; Skolnik  
206; Stephenson 153-4, 230-1, 241-6;  
Wildman 244-5.

### Advertising, Hydro

Timbrell 353-4; Wildman 353.

### Advertising/publicity, government

Angus 6-7, 121; Bennett 11-2, 100, 104-10,  
121; Bounsall 238; Boyer 99; Cleverdon  
238-9; Cunningham 108-10; di Santo 241;  
Haggerty 103-7; Hall 527-8; R. D.  
Johnston 238-9; Lupusella 240; B. Newman  
99; Rhodes 527-8; Timbrell 357; Wildman  
357.

### Agents general

Bennett 118-9; Roy 118-9.

### Airport, Pickering

Forster 635; Godfrey 635, 642-3; Rhodes  
635, 642-3.

### Alcohol abuse/addiction

Cleverdon 230; Haggerty 230-1; Johnson  
230-1; Stephenson 230-1.

### Appraisers/appraisals

Rhodes 672-3; Sargent 672-3.

### Apprenticeship

Bullbrook 162; Haggerty 200-2; R. D.  
Johnston 306; Mancini 218-9, 306; Reid  
187-90; Stephenson 189-90, 218-9.

### Arbitration/boards

R. D. Johnston 264-7; Mancini 264-5;  
Warner 266-7.

### Asbestos/asbestosis

Angus 50; Laughren 247-8; Stadelman 50;  
Stephenson 154.

### Assessment equalization

Hall 553; Rhodes 553.

### Assessment/reassessment

Crosbie 626-7.

### Automation/mechanization

Germa 260.

### Automotive trade agreement

Bennett 65-6, 82-3; B. Newman 64-5, 82-3.

### Autonomy, municipal/regional

Cassidy 530-1, 533-4; Rhodes 530-1, 533-4.

### Bankruptcies

Bounsall 302-3, 305; R. D. Johnston 305.

### Building codes/standards

Johnson 565; Makarchuk 568-72, 630-1;  
Rhodes 565, 630-1; Rose 565, 631;  
Timbrell 355.

### Burwash institution

R. D. Johnston 251; Laughren 251.

### Buses, energy

Cunningham 359; Timbrell 355, 388, 437.

### Business Incentives Programme

Bennett 130-1, 142; Wildman 130-1;  
Williams 141.

### Camp Associates Advertising Ltd.

Bennett 108-10; Cunningham 108-10.

### Cancer/patients

Laughren 246-9; Mackenzie 253;  
Stephenson 253.

### CANDU programme

Makarchuk 393; Timbrell 393-4.

### Chairman's rulings/comments

Motions 657, 661-2.

### Chemicals, noxious

Bounsall 220-1; D. F. Jones 220-1.

### Children, immigrant/ethnic

M. Campbell 287; McPhee 289.

### Civil servants, senior

Eastham 319; McLellan 319; Wildman  
319.

### Coal/lignite

Dillon 331-2; Makarchuk 400; Timbrell  
325, 400.

### Collective bargaining

Bounsall 157-8; Bullbrook 162, 164-5;  
Johnson 218; Stephenson 152, 218.

### Commission, Hydro planning

Jackson 467-8; Peterson 336; Timbrell  
327, 344; Williams 467-8.



## SUBJECTS—*Continued*

### **Commission, Niagara escarpment**

Hall 555-8, 632; Wronski 556-8.

### **Commission, oil/gasoline prices**

Bryden 372-4; Lewis 426-35; Philip 421-2; Pinnington 373-4; Roy 469; Timbrell 324-5, 374-7, 395-6, 410, 421-2, 426-34, 469; Wildman 410.

### **Committee, Hydro rates**

Timbrell 326-7, 468; Williams 468.

### **Committee, land division/separation**

Crosbie 627; Hall 632; Kerrio 615; Makarchuk 627-8; Rhodes 615, 627-8; Sargent 615.

### **Committee, municipal utilities**

Timbrell 327.

### **Committee, occupational health**

Bounsall 219-21; D. F. Jones 220; Stephenson 219-21.

### **Committee procedures**

Angus 71-4; Bullbrook 172-3, 661-3; Cassidy 173; Drea 71-4; Eaton 72-4; Kennedy 662; Norton 172; Roy 663; Samis 73-4; R. S. Smith 172-3; Sweeney 661-3; Wildman 71-2; Williams 72.

### **Committee, Townsend planning**

Wronski 628-9.

### **Commuters/services**

Johnson 566; Rhodes 566-7.

### **Compensation, farmers**

Eaton 381; Frame 381-2; Johnson 381-2; Lewis 382-3.

### **Conciliation/mediation**

Bounsall 261-4; Bullbrook 162-4; Dickie 261-4; R. D. Johnston 166, 266; R. S. Smith 171-3; Stephenson 165-7, 171-2, 261; Warner 266.

### **Conflict of interest**

Bryden 646; Rhodes 646.

### **Conservation authorities**

Gaunt 589-92; Rhodes 590.

### **Containers, returnable/non-returnable**

Cunningham 358, 361; Peterson 339.

### **Contracts, union**

Bounsall 156-8.

### **County/township affairs**

Godfrey 642; Rhodes 642.

### **Credit unions**

Makarchuk 685; Rhodes 685.

### **Daycare/centres**

M. Campbell 315; McLellan 315.

### **Deaf/hard of hearing**

Laughren 247; Mackenzie 254; B. Newman 255; Stephenson 251-2, 254-5.

### **Decentralization, industry**

Bennett 21-2; Cassidy 21-2.

### **Deeds/land titles**

Sargent 669-70.

### **Design for Development: Toronto-centred region**

Cassidy 484-5.

### **Development Corporation, Eastern Ontario**

Bennett 146-7; Roy 145-6.

### **Development Corporation, Northern Ontario**

Angus 144-5; Bennett 133-7, 146-7; R. S. Smith 131-7.

### **Development Corporation, Ontario**

Angus 138, 144-5; Bennett 128-47; Joyce 139-41; Roy 126-30, 145-6; Wildman 130-1, 139-40; Williams 141.

### **Development corporations, regional**

Johnson 138.

### **Development, industrial**

Bennett 75-8; Drea 76-7; Garland 68; Johnson 75-6; Wildman 68, 78.

### **Deviant persons**

Bounsall 160-1, 180; Mancini 179-80; Stephenson 180.

### **Discrimination, age**

G. A. Brown 289; M. Campbell 287, 289.

### **Discrimination, handicapped**

B. Newman 283-6; Stephenson 283-6.

### **Discrimination, racial**

Bounsall 299-300; G. A. Brown 281-2, 299-300; M. Campbell 288, 291, 301; di Santo 273-7, 301-2; Mackenzie 290-1; Mancini, 180-1, 281; McPhee 280-1, 288-92, 299; Stephenson 180.

### **Discrimination, sex**

Bennett 39; Bounsall 155-6, 312; M. Campbell 217-8, 290; Cassidy 39; Clarke 312; McPhee 289-90.

## **Discrimination, weight**

G. A. Brown 285; Haggerty 284-5;  
B. Newman 284-5; Stephenson 284-5.

## **Doctors, foreign/immigrant**

M. Campbell 190; Stephenson 191.

## **Downtown redevelopment**

Crosbie 629; Makarchuk 629; Rhodes 629.

## **Drug abuse/addiction**

Johnson 230-1; Stephenson 230-1.

## **Electric utilities**

Timbrell 408-9; Wildman 408-9.

## **Employment adjustment services**

Bounsall 308-10; R. D. Johnston 308-9;  
D. Radford 309-10.

## **Employment agencies**

di Santo 275.

## **Employment, immigrants**

M. Campbell 286-7; McPhee 288.

## **Employment, youth**

Bounsall 169-70, 229-30; Cleverdon  
229-30; Hushion 229; R. D. Johnston  
169-70, 179; Mancini 179; Morgan 169;  
Skolnik 213.

## **Energy boards**

Bryden 446-8; Gigantes 451-8; Jackson  
453-4, 466-7; Sargent 459-66; Timbrell  
446-70; Williams 466-8.

## **Energy boards, personnel**

Timbrell 448.

## **Energy Corporation, Ontario**

Bryden 472-3; Reed 471-2; Timbrell 328,  
471-2.

## **Energy costs**

Jackson 448-9; Makarchuk 379-80;  
Pinnington 379; Ruston 448-9; Timbrell  
379-80.

## **Energy/management**

Angus 51; Bennett 50-1; Burr 332-5;  
Cassidy 50-1; Cunningham 357-9; Dillon  
329-32; Garland 50-1; Gaunt 383-7;  
MacOdrum 355, 372, 390-1; Makarchuk  
391-400; Peterson 335-43; Reed 352-3;  
I. H. Rowe 354-5, 359-61, 367-8; Ruston  
365-7; Timbrell 323-9, 343-7, 351-65,  
371-402, 407-38; Wildman 353.

## **Energy, solar/wind**

Burr 333-5; Peterson 335-6, 341; Timbrell  
327, 343-4, 351.

## **Equal pay for women**

Bounsall 155-6, 312-3; M. Campbell 217-8,  
306-7; Clarke 313; R. D. Johnston 307;  
D. Radford 307; Stephenson 166-7, 217-8.

## **Errata**

267, 438, 513.

## **Estimates**

Energy 323-47, 351-68, 371-402, 407-38,  
443-73; Housing 477-87, 491-514, 517-38,  
541-60, 563-95, 599-621, 625-57, 661-91;  
Industry and Tourism 4-24, 29-58, 63-88,  
93-111, 115-47; Labour 151-175, 179-207,  
211-33, 237-67, 271-95, 299-319.

## **Estimates, re the**

S. Campbell 517-8, 521; Cassidy 519;  
Crosbie 518, 520; Hall 518-21; Rhodes  
517-21; Singer 517-21.

## **Experience '75**

Pillgrem 117; Wildman 117; Williams 117.

## **Exploration/prospecting**

Lamb 411-2, 416-7; Lewis 398-9;  
Makarchuk 391-3, 397-9, 411-5; Matthews  
412-5, 418-9; Norton 416, 419; Scott 397,  
399; Spence 390-1; Stortchak 397-8;  
Timbrell 390-3, 397-9, 413-9; Wildman  
388.

## **Expropriation**

Angus 69; Bennett 69; Cassidy 649-51;  
Rhodes 649-51.

## **Farms/farm lands**

Forster 639; Godfrey 637, 639; Hall 500,  
605-7; Rhodes 506; Wronski 637, 647.

## **Fatalities/deaths**

Cleverdon 241-3; di Santo 242; R. D.  
Johnston 243, 245; Lupusella 242-3;  
Stephenson 153-4, 241-5.

## **Fines/sentences**

G. A. Brown 281-2; Cleverdon 231, 243,  
246; di Santo 231-2; R. D. Johnston 243,  
245; Lupusella 242-4; Mackenzie 245-6;  
Mancini 281; McPhee 281; D. Radford  
307; Stephenson 231, 242-6; Wildman  
244-5.

## **Firefighters/firefighting**

Bounsall 299-300; G. A. Brown 299-300;  
McPhee 299.

## **Fires**

B. Newman 254-5; Stephenson 254-5.

## **Fishing, commercial**

Angus 7-8.

## SUBJECTS—*Continued*

### Flooding/control

Gaunt 591; Makarchuk 591-2; Rhodes 590.

### Food costs

Timbrell 389; Wildman 389.

### Food prices

Thacker 389; Timbrell 388-9; Wildman 388-9.

### Forest industries/products

Bain 185-6.

### Gas, manufactured

Makarchuk 394; Timbrell 394.

### Gas, natural

Dillon 330-1; Jackson 448-9; MacOdrum 390-1, 450-1, 470-1; G. I. Miller 450-1, 470; Peterson 340-1; Ruston 366, 448-9; Spence 391, 449-51; Timbrell 325, 391.

### Gas, natural, leakage

MacOdrum 391; Makarchuk 391.

### Gas, natural, rates

Bryden 446-7; Jackson 449; MacOdrum 355; Timbrell 446-7.

### Gas, natural, shortage

Dillon 362.

### Gas utilities

Jackson 470; MacOdrum 470; G. I. Miller 470.

### Gasoline dealers/association, retail

Angus 8; Bennett 12; Bryden 372-3; Lewis 425-6; B. Newman 196; Philip 420-4; Timbrell 356-7, 374, 420-2, 425-6; Wildman 356-7.

### Government organization/reorganization

Bounsall 167-70, 174-5; Germa 174; Hushion 227-9; R. D. Johnston 167-70; Morgan 169; Stephenson 174.

### Government spending

Eakins 9-10.

### Grants, home buyers

Cassidy 484; Rhodes 508.

### Grants, International Women's Year

Bounsall 310-2; McLellan 310-1, 315-6.

### Grants, Northern Ontario

Lewis 432-4; Timbrell 432-3.

### Grants, research

Bennett 47-8; Stadelman 48-9.

### Grants, tourist associations

Angus 7.

### Greenhouses/florists

Reed 363-5, 472; Timbrell 365, 389, 472.

### Hate propaganda

di Santo 274-7; McPhee 281.

### Health, occupational

Angus 215-6; Bounsall 252-3; Cleverdon 253-4; Davidson 202; Haggerty 221; Laughren 246-52; Mackenzie 253-4; Stephenson 202, 216, 221, 250-2.

### Hearings, development control

Hall 556-7; Rhodes 558; Wronski 557.

### Hearings, energy

Bryden 371-2; MacOdrum 372; Sargent 465-6; Timbrell 371-2, 465-6.

### Heat levels/control

R. D. Johnston 256; B. Newman 256; Stephenson 256.

### Heat pumps

Cunningham 358, 361; I. H. Rowe 360.

### Heavy water process

Dillon 462; Sargent 460-1; Timbrell 460-1.

### Highways, heritage

Bennett 97-9; Boyer 99; B. Newman 99; Spence 97.

### HOME programme

Burkus 577; Cassidy 494-6; Eaton 675-6, 678-80; Haggerty 593-4; Hall 499; Makarchuk 577-8, 630, 683-4; Rhodes 506-7, 577-8, 593, 666-9, 678-9; Riggs 667-9, 682-4; Rose 594, 675-6; Sweeney 665-6.

### Horseracing/racetracks

Bennett 106-7; Haggerty 106-7.

### Hospital interns

M. Campbell 190; Stephenson 191.

### Hours of work

Bounsall 159-60, 197-9; Cunningham 358; R. D. Johnston 195-6; McCague 202; B. Newman 195-6; I. H. Rowe 360; Skolnik 195-6, 198-9, 202-3; Stephenson 195, 198-9, 202.

### Housing

Rhodes 477-8, 504-11; Rose 547; Sweeney 606.

### Housing Action programme

Cassidy 481-2; Hall 498-9; Makarchuk



573-5; Martin 573-4, 586-7; Moffatt 586-8; Rhodes 574-5, 587.

## **Housing, adults only**

Cassidy 293-4, 497; Stephenson 295.

## **Housing, apartment**

M. Campbell 543; Norton 584; Rhodes 543, 584.

## **Housing approvals**

Angus 599-600; Norton 583-4; Rhodes 583-4, 600; Wronski 600.

## **Housing authorities/association**

Makarchuk 686-9; Rhodes 686, 688; Rose 678-8.

## **Housing, condominium**

Burkus 582; Cassidy 582-3; Hall 502; Norton 584-5; Rhodes 584-5.

## **Housing Corporation, Ontario**

M. Campbell 655-6; Crosbie 655; Haggerty 592-5; Norton 584; Rhodes 584.

## **Housing/land prices**

Burr 669; M. Campbell 541-2, 551; Cassidy 481, 492-4, 578, 648; Haggerty 593-5; Hall 499-500, 554-5; Johnson 564; Kerrio 616; Makarchuk 569-73, 685; McDonald 668; Rhodes 551, 570, 573-4, 578, 592-5, 666-8, 685, 688; Riggs 667-9; Rose 551, 570, 594, 670; Sargent 669-73; Sweeney 592, 666, 668; Wronski 648.

## **Housing, low-cost**

Burkus 534; M. Campbell 534-6; Cassidy 478-9, 485-6, 529, 531-3, 580; Hall 554-5; Johnson 564-5; Makarchuk 571-4, 630-1, 681-2; Rhodes 508-9, 571-4, 580-1, 681-2, 688; Riggs 688-9.

## **Housing Ministry personnel**

Makarchuk 567-8; Rhodes 567-8.

## **Housing, mobile**

Crosbie 626-7; Rhodes 524-7, 625-7; Sweeney 625-7; Wildman 521-7; Wronski 626.

## **Housing renewal programmes**

Cassidy 652; Makarchuk 575-6; Rhodes 576, 652.

## **Housing, rental**

Eaton 676; Makarchuk 681; Rhodes 681; Rose 676.

## **Housing, senior citizens**

Breaugh 690-1; M. Campbell 545-7; Eaton 674-5, 679-81; Johnson 565, 677; Kennedy 673-4; Makarchuk 576, 599; Moffatt 585-6; Rhodes 545-7, 599, 691; Rose 576, 586, 673-7, 679-81.

## **Housing shortage**

M. Campbell 547-51; Cassidy 478-87, 491-7, 531-3; Hall 497-504, 528, 605-9; Makarchuk 574-5; Rhodes 531-2, 547-8, 574-5; Wildman 522.

## **Housing starts**

Cassidy 479, 482-3, 580-2; Hall 498; Makarchuk 682-4; Martin 581; Rhodes 509, 684; Riggs 682-3; Rose 580-1.

## **Human rights**

G. A. Brown 281-3, 292; di Santo 273.

## **Human rights code/commission**

Bounsall 160-1, 299-300; G. A. Brown 299-300; M. Campbell 286-8, 301; Cassidy 293-4; di Santo 301-2; R. D. Johnston 300-1; Mancini 280-2; McPhee 278-82, 289-90, 292, 299; B. Newman 283-6; Norton 292; Stephenson 152, 277-8, 283-6, 295, 300-2.

## **Hydro-Amok project**

Lamb 411-2, 416-7; Lewis 416-7; Makarchuk 415; Matthews 415; Norton 416, 419.

## **Hydro corridors**

Frame 380-2; Gaunt 383-5; Johnson 380-2; Lewis 382-3; McCague 371; Timbrell 371, 380-5.

## **Hydro costs**

Peterson 339-40; Timbrell 325-6, 352.

## **Hydro generating stations**

Burr 444; Frame 363-5, 367; Higgin 444; B. Newman 367; Reed 363; Ruston 366-7; Scott 363; Timbrell 363-5, 367.

## **Hydro meters**

Bryden 407-8; Burr 408; I. H. Rowe 407-8; Timbrell 408-9; Wildman 408-9.

## **Hydro, Ontario**

Dillon 455-8; Gigantes 452-8; Jackson 453-4, 466-7; Timbrell 452-8.

## **Hydro power/lines**

Frame 364, 382; Johnson 382; Peterson 340; Timbrell 347, 360-1.

## **Hydro rates**

Burr 436-7; Cunningham 359; Frame 386-8; Gigantes 455-6; Peterson 336-7; Timbrell 326, 344, 355, 386-8, 437, 455-6.

## **Hydro-Shell project**

Lamb 411-2; Lewis 417-8; Makarchuk 411-5; Matthews 412-5, 418-9; Norton 419; Timbrell 413-5, 417-9.

## **Immigrants**

Bennett 22; Cassidy 22.

## SUBJECTS—*Continued*

### Immigrants, skilled

di Santo 275-8; Stephenson 277-8.

### Imports/exports

Angus 5-6; Bennett 10-2, 82-7;  
Cunningham 83; Eakins 83-4; Eaton 39-40,  
93; Fowler 81-3, 93-5; B. Newman 81-2;  
Peterson 84-7; Wildman 93-4; York 40.

### Incentives, industries

Cassidy 579-80; Johnson 565; Rhodes 566,  
579-80.

### Indian employment/unemployment

Bennett 54-6.

### Indian fishing/hunting

Angus 7-8.

### Indian health

Angus 55-6; Bennett 55; di Santo 274,  
276-7; B. Newman 56; Pillgrem 53-56;  
Stephenson 277.

### Indian housing

Rhodes 605; Rose 653-4; Wildman 605,  
653-4.

### Indian income

Angus 56; Bennett 54-6; Pillgrem 54;  
Wildman 54-5.

### Indian poverty/welfare

di Santo 274, 276-7.

### Industries, diversification of

Bennett 57-8, 75-7; Eakins 70-1; Garland  
57, 63-6; Johnson 75; B. Newman 56-8,  
63-6.

### Industries, foreign/control

Bennett 36-9, 77; Cassidy 36-9; Drea 77;  
Garland 77-8.

### Industries, government equity

Angus 138; Bennett 138.

### Industries, relocation of

Bennett 29-30.

### Industries, service

Eakins 78-9; Garland 78-9; Williams 78.

### Industries, shutdown

Bain 185-6; Bounsall 302-5; R. D. Johnston  
305.

### Inflation programme, federal

Bounsall 261-4; Dickie 261-4; Johnson  
218; Mackenzie 262; Stephenson 218, 261.

### Inspection, health

Cleverdon 254-5; B. Newman 254-5.

### Inspection, safety

Bounsall 228-9; Cleverdon 229-30, 232-3;  
di Santo 232; Hushion 229; Stephenson  
232.

### Insulation

I. H. Rowe 367; Ruston 365.

### Interest/rates

Hall 502-3; Makarchuk 685; Rhodes 508,  
684-5, 688.

### Joint venture programme, industrial

Bennett 77-8; Drea 77-8; Garland 77-8;  
N. R. Radford 78.

### Labour-management relations

Bounsall 155-61, 165-7, 312-3; Bullbrook  
161-5; Clarke 312-3; R. D. Johnston 166;  
Stephenson 151-5.

### Labour Relations Board

Armstrong 271-3; Bounsall 271-3.

### Labour safety council

Bounsall 219-21; D. F. Jones 220, 260;  
Mancini 259-60; Stephenson 219-21.

### Land acquisition, government

Bryden 644.

### Land acquisition, industrial

Angus 69; Bennett 23-4, 31-2, 69.

### Land acquisition, municipal

Johnson 677; Riggs 677-8.

### Land acquisition, OHC

M. Campbell 542-3, 655; Makarchuk  
569-70, 572; Moffatt 585; Rhodes 542-3,  
570, 572, 585; Riggs 655, 688-9.

### Land assembly/banks

Makarchuk 682, 685-6; Rhodes 685-6.

### Land, commercial/industrial

Cassidy 493; Forster 640-1; Godfrey  
640-1; Rhodes 579, 640-1.

### Land development, Carlsbad Springs

Cassidy 652.

### Land development, Gordonridge

Drea 663-5; Riggs 664.

### Land development, Vaughan housing

Cassidy 647; Rhodes 647; Wronski 647.

### Land, serviced

M. Campbell 535, 541-4; Hall 498-502,  
554-5; Johnson 564-5; Kerrio 616-7;

Rhodes 507, 509, 543, 565, 616-7, 666-9;  
Sweeney 665-8; Wronski 544-5.

### **Land severances**

Angus 599-600; Eaton 611-2; Farrow 605,  
611-2; Hall 606, 631-4; Johnson 565;  
Kerrio 615; Makarchuk 627-8, 630; Rhodes  
566, 612-5, 630, 632-4; Sargent 613-5;  
Wildman 604-5; Wronski 600, 604, 633.

### **Land subdivision**

Eaton 612; Farrow 612; Gaunt 588-91;  
Makarchuk 591-2; Rhodes 588-91, 612-3.

### **Land use/planning**

Bryden 644-6; M. Campbell 534-6, 542-7;  
Cassidy 492-4; Forster 638-40, 643;  
Godfrey 637-40; Hall 355-8, 500-4, 605-7;  
633; Rhodes 504-11, 529-31, 645; Wronski  
544-5, 607, 627, 633, 637-8, 644-5, 647.

### **Landlord/tenant**

Makarchuk 686-8; Rhodes 686-8; Riggs  
687; Rose 687.

### **Lawyers' fees/salaries**

Sargent 465-6; Timbrell 465-6.

### **Lawyers, Ontario government**

Bounsall 203-4; Hess 203-4; R. D. Johnston  
203.

### **Leasing/leases**

Burr 669; Cassidy 495-6; Rhodes 669;  
Riggs 669; Rose 670; Sargent 669-70.

### **Licences, motor vehicle**

Peterson 338.

### **Licences, trades, provincial**

R. D. Johnston 306; Mancini 305-6.

### **Loans/grants, housing**

Rhodes 617-8; Riggs 677, 689.

### **Loans/grants, industries**

Angus 34, 144-5; Bennett 32-5, 69-70,  
128-47; Johnson 138; Joyce 139-41;  
Pillgrem 32-3, 35; Roy 126-30, 145-6;  
Sargent 32-5, 37, 69-70; R. S. Smith 131-7;  
Wildman 130-1, 139-40; Williams 141.

### **Loans/grants, municipalities**

Martin 586-7; Moffatt 586-7; Rhodes  
586-7; Wronski 603.

### **Loans/grants, pollution abatement**

Angus 144; Bennett 144.

### **Lotteries, OHC**

Eaton 678-9; McDonald 679; Rhodes 678.

### **Maple Mountain**

Bennett 142; Eakins 142.

### **Markets, foreign**

Bennett 94-5; Fowler 94; Grossman 94.

### **Maternity/paternity leaves**

Bounsall 156; Stephenson 167.

### **Mental health/illness**

B. Newman 283-4.

### **Mercury poisoning**

Angus 55-6; Bennett 55-6; di Santo 274;  
Eakins 53; B. Newman 56; Pillgrem 52-6;  
Stadelman 52-3; Stephenson 277; Williams  
51-2.

### **Minaki Lodge**

Bennett 142; Eakins 142; Sargent 37.

### **Minorities/ethnic groups**

di Santo 274-7; Mancini 180-1; McPhee  
280-2, 289-90; Stephenson 180.

### **Mortgages, HOME/subsidized**

Burr 668; Makarchuk 685; McDonald 668;  
Rhodes 668, 684-5; Rose 670.

### **Mothers, working**

M. Campbell 217-8; Stephenson 218.

### **Motor vehicle/parts industry**

Bennett 46; Bounsall 197-9; Garland 43,  
65-6; Gaunt 43-6; B. Newman 65-6;  
Pillgrem 46; Sargent 49-50; Stadelman 49;  
York 45.

### **Motor vehicles**

Cunningham 358; Peterson 338-9; I. H.  
Rowe 360; Ruston 366; Timbrell 346-7.

### **Mount Madawaska Co-op**

Bennett 41, 143-4; Conway 40-1, 142-4.

### **Municipal Board, Ontario**

Cassidy 620-1; Eaton 600-3, 612-3; Farrow  
612; Rhodes 602, 620-1; Wronski 601.

### **Municipal planning/studies**

Bennett 17-8; M. Campbell 534-6, 544;  
Cassidy 619-20; Conway 17-8; Eaton  
600-3, 612-3; Hall 606-7; Rhodes 510-1,  
546-7, 601-4, 619-20, 648; Wildman 603-5;  
Wronski 544, 601, 603-4, 606-7, 619-20.

### **Natural resources/management**

Reed 363.

### **Noise levels/control**

Mackenzie 254; B. Newman 255;  
Stephenson 251-2, 254-5.

### **Nuclear/atomic energy**

Burr 332-5; Dillon 462-3; Peterson 341;  
Sargent 461-6; Timbrell 461-6.



## SUBJECTS—*Continued*

### Oil companies

Angus 8; Bennett 12.

### Oil, fuel

Davidson 445; Timbrell 445.

### Oil/gasoline prices

Bennett 100; Boyer 101; Bryden 372-3; Burr 443-4; Foulds 400-2; Lewis 395, 425-35; Makarchuk 375-7, 394-6; B. Newman 100-1; Norton 430-1; Peterson 336-7; Philip 421-4; Pinnington 430; Roy 468-9; Thacker 377-8, 389; Timbrell 324, 345, 356-7, 373-9, 388, 394-6, 400-2, 410, 421-35, 443-6, 468-9; Wildman 356, 388-9, 409-10.

### Oil/gasoline shortage

Dillon 362; Peterson 338-9; Ruston 366.

### Oil production

Dillon 329-31.

### Olympic games

Bennett 97, 100; Boyer 97; B. Newman 99-100; Norton 292; Samis 97.

### Ontario House

Bennett 118; Roy 118.

### Ontario Place

Angus 8, 124; Bennett 13, 121-6; Bounsall 123; J. W. Brown 122-4; McCague 126; Norton 125; Reid 121-4; Roy 122-3; R. S. Smith 124; Spence 124; Williams 125.

### Parks, industrial

Angus 68-9; Bennett 17-8, 20, 23-4, 69, 78; Conway 17; Cooper 15; Eakins 70-1; Eaton 15; Garland 66-7; McEwen 18; Samis 22-4; Williams 66-7.

### Parks, nuclear

Burr 332-5.

### Permits, overtime

Bounsall 160; R. D. Johnston 196; Martel 192, 194; B. Newman 196; Stephenson 192.

### Pickering North project

Cassidy 649-51; Forster 634-5, 638-43; Godfrey 634-43; Rhodes 634; Wronski 637.

### Pipelines, oil/gas

Clendinning 459; Dillon 330; Jackson 459; MacOdum 470-1; McCague 459; G. I. Miller 470-1; Timbrell 459.

### Planning, economic

Sargent 16-7.

### Planning, housing

Cassidy 580; Rhodes 580.

### Planning, industrial

Bennett 14-5, 17-22, 29-32; Cassidy 19-22; Cooper 15-6, 30-1; Eakins 31-2; Eaton 14-5; Forster 640-1; Godfrey 640-1; McEwen 18; Rhodes 640; Wildman 29-31.

### Polar Gas project

Timbrell 328, 392-4.

### Pollution, environmental

Burr 333.

### Polychlorinated biphenyls

Burr 435-6; Higgin 436-6.

### Press, ethnic

Bounsall 238; Cleverdon 238-9.

### Price differential, regional

Foulds 400-2; Lewis 395, 432-3; Makarchuk 394-6; Timbrell 356, 394-6, 400-2, 410, 432-4; Wildman 356, 409-10.

### Price freeze, oil

Foulds 401-2; Timbrell 324, 345, 401-2, 445-6; Wildman 445-6.

### Price/profit/wage controls

Bounsall 157, 261-4; Bullbrook 163-4; Dickie 261-4; Stephenson 261.

### Publications, government

Angus 225; Bennett 98, 104; Bounsall 230; Boyer 98-9; M. Campbell 225; Cleverdon 230; Eakins 98; Haggerty 103-4, 225; Stephenson 225.

### Pulp/paper companies

Bennett 30; Pillgrem 52; Stadelman 52; Wildman 30; Williams 52.

### Radiation, nuclear

Burr 333; Dillon 463; Martel 192-4; Sargent 462-4; Stephenson 192-4; Timbrell 463-4.

### Radio/television

Cleverdon 238-9; di Santo 241; R. D. Johnston 238-9; Lupusella 240.

### Regional municipality, Durham

Godfrey 642; Wronski 642.

### Regional municipality, Haldimand-Norfolk

Hall 607-9; Makarchuk 628-9; Rhodes 608; Sargent 608; Wronski 607-9, 628-9.

### Rehabilitation, vocational

R. D. Johnston 251; Laughren 250-1; Stephenson 251.

### Rent/control

Makarchuk 687; Riggs 687.

## **Research, civil/human rights**

Kinley 279-80; Mancini 279; McPhee 279.

## **Research, energy/needs**

Burr 333, 435; I. H. Rowe 354, 359-60;  
Timbrell 354, 435.

## **Research, industrial**

Bennett 46-8; Bounsall 253; Eakins 47;  
Garland 42-5; Gaunt 43-6; Pillgrem 46;  
Sargent 48-9; Stadelman 48-53;  
Stephenson 154-5, 253; York 45.

## **Research, labour**

Angus 215-6; Bounsall 211-5;  
M. Campbell 217-8; Haggerty 204-6; R. D.  
Johnston 204-6; Kinley 215; Skolnik 188-9,  
196-6, 202-8, 211-7.

## **Reservoirs, gas/oil**

MacOdrum 390-1, 405-1; Makarchuk  
391-2; G. I. Miller 450-1; Spence 390-1,  
449-51.

## **Reservoirs, water**

Frame 363-5; Reed 363-5, 472; Timbrell  
364, 472.

## **Retirement**

Johnson 301; B. Newman 285-6;  
Stephenson 285-6.

## **Road signs/traffic lights**

Angus 8; Bennett 98; Boyer 99.

## **Safety committees, industrial**

Bounsall 256-9; Cleverdon 258-9; Haggerty  
222-4; R. D. Johnston 257-8; D. F. Jones  
224; Martel 223-4; Stephenson 222-4, 256,  
258.

## **Safety hazards**

Bounsall 258-9; Cleverdon 258-9; R. D.  
Johnston 258-9; Mackenzie 259.

## **Safety, occupational**

Bounsall 238-9; Cleverdon 226-7, 229-33,  
239, 241-4; di Santo 231-2, 241-2; Germa  
260; Haggerty 221; Hushion 227-9;  
Johnson 230; R. D. Johnston 238-40, 243,  
260; Lupusella 240, 242-3; Mackenzie  
245-6; Mancini 226-7, 239-40; Martel 192,  
225-6; Stephenson 153-4, 225-7, 230-2, 238,  
240-2; Wildman 244-5.

## **Schools, vocational**

Mancini 218-9; Stephenson 218-9.

## **Security guards/agencies**

M. Campbell 218; Stephenson 218.

## **Severance pay**

Bounsall 159, 302-5; R. D. Johnston 305;  
Stephenson 167, 304.

## **Sewerage**

Hall 554-5.

## **Shopping plazas/centres**

Makarchuk 629-30; Rhodes 630.

## **Silicosis**

Martel 193-4; Stephenson 193-4.

## **Speed limits**

Burr 436-7; Peterson 339; I. H. Rowe 360,  
367-8; Ruston 366; Timbrell 437-8.

## **Steam**

Peterson 341.

## **Strike, paperworkers**

R. S. Smith 171-3; Stephenson 171-3, 181;  
Wildman 181.

## **Strikes/lockouts**

Angus 202; Bain 185; Bounsall 158-9;  
Stephenson 152.

## **Subsidies, industrial**

Bennett 10-1; Eakins 9.

## **Syncrude Canada Ltd.**

Makarchuk 393; Reed 353; Timbrell 328,  
353, 392-4.

## **Tape recordings**

Cassidy 479-80; Lawlor 480; Sweeney 480.

## **Tar sands**

Dillon 330; Makarchuk 394; Timbrell 353,  
394.

## **Tax, gasoline/motor fuels**

Foulds 400; Timbrell 400.

## **Tax, land speculation**

Norton 585; Rhodes 585.

## **Tax, land transfer**

Moffatt 588.

## **Tax, motor vehicles**

Angus 9; Bennett 13; Peterson 338-9.

## **Tax, municipal/regional**

Hall 553-4; Rhodes 553-4.

## **Tax, property**

Hall 551-2; Johnson 565.

## **Tax relief, residential**

Hall 552-3; Rhodes 552.

## **Teachers**

Mancini 179-80; Stephenson 180.

## SUBJECTS—*Continued*

### Television, cable

Drea 663-4; Rose 665.

### Tendering, Olympics

Angus 8; Bennett 10-1; Eakins 9.

### Tourist associations, regional

Angus 7; Bennett 12, 417; Boyer 117; Reid 117.

### Tourist attractions

Bennett 96-8; Boyer 101-3, 107-8; Eakins 97; B. Newman 101-3; Norton 107-8; Samis 96-7.

### Tourist development/promotion

Bennett 98-100, 108-10, 118; Boyer 99, 101-3; Cunningham 108-10; Eakins 98, 103; B. Newman 100-3; Norton 118.

### Tourist information/reception centres

Bennett 104-6; Haggerty 104-6.

### Townsites, new

Bryden 643-6; Hall 606-7; Rhodes 608-9; Sweeney 606-8; Wronski 607-9, 647.

### Trade/convention centres

Angus 7; Bennett 12, 115-7; Norton 115-6; Williams 116.

### Trade fairs

Fowler 95; Williams 95.

### Trade missions/offices

Bennett 118-9; Eakins 81, 84; Eaton 87-8; 93; Fowler 81, 93-5; Garland 65, 67-8; Peterson 84-7; N. R. Radford 119-21; Samis 118; R. S. Smith 119; Wildman 93-4; Williams 67-8, 120-1.

### Transit, public/rapid

Godfrey 638; Rhodes 638.

### Transportation planning/studies

M. Campbell 549-51; Rhodes 549-50.

### Transportation terminals

Rhodes 550-1.

### Unemployment/layoffs

Bounsall 159, 304; B. Newman 307-8; D. Radford 308; Skolnik 189.

### Union certification

Armstrong 271-3; Bounsall 271-3.

### Unions

M. Campbell 286-7, 291; Mackenzie 291; McPhee 288, 291-2; Skolnik 206.

### Uranium

Dillon 332; Lamb 411-2, 416-7; Lewis 398-9, 416-9; Makarchuk 397-8, 411-5; Matthews 412-5, 418-9; Norton 416, 419; Scott 397, 399; Stortchak 397-8; Timbrell 325, 345-6, 397-9, 413-9.

### Urban growth/sprawl

Cassidy 531-3; Rhodes 531-3, 565-6.

### Vacations/holidays with pay

Bounsall 160.

### Vinyl chloride

B. Newman 53; Stadelman 53.

### Vocational/trades training

Cleverdon 239, 241; R. D. Johnston 239, 306; Mancini 306.

### Wage, minimum

Bounsall 158-9; Johnson 185; Kinley 182; Laughren 182-3; Norton 181-2; Skolnik 206, 213; Stephenson 154, 167, 181-2.

### Warranties, housing

Hall 503.

### Waste recycling

Burr 444; Cunningham 357-8, 361; Higgin 444-5; Peterson 341; Reed 363; I. H. Rowe 359-60; Timbrell 362-3, 444.

### Wives/husbands, common-law

Bounsall 211.

### Women/girls

Bounsall 197; R. D. Johnston 264-5; Mancini 264-5; Stephenson 197.

### Women's programme, equal opportunity

Bounsall 311-3; M. Campbell 313-6; Clarke 311-4; McLellan 310-1, 314-9; O'Neil 316-7.

### Workers, American

Bullbrook 162; Haggerty 200; Mancini 306; B. Newman 195; Stephenson 195.

### Workers, apartment buildings

M. Campbell 190-1; Stephenson 190.

### Workers, disabled/injured

Haggerty 201; R. D. Johnston 251; Laughren 250-1.

### Workers, domestic

Bounsall 197; Stephenson 197.



## **Workers, forest industries**

Bain 185-6; Laughren 183.

## **Workers, handicapped**

B. Newman 196, 216-7; Skolnik 216;  
Stephenson 217.

## **Workers, immigrant**

Angus 225; M. Campbell 225; di Santo  
241; Haggerty 225; R. D. Johnston 238-40;  
Lupusella 240; Stephenson 225, 238.

## **Workers, mine**

Bounsall 175; Germa 174; Laughren  
246-9; Martel 192-4; Stephenson 174.

## **Workers, older**

Bounsall 303-4.

## **Workers, unorganized/underpaid**

Laughren 183; Stephenson 184-5.

## **Workers, utilities**

Cleverdon 227-8; Mancini 227-8;  
Stephenson 227-8.

## **Workers, women**

Bennett 39; Bounsall 155-6, 310-1; Cassidy  
39; Clarke 311-3; Eastham 319; McLellan  
310-1, 318-9; Stephenson 153; Wildman  
317-8.

## **Workmen's compensation/board**

Haggerty 224-5; Stephenson 224-5.

## **Youth employment programmes**

Bounsall 169-70, 229-30; Cleverdon 229-30;  
Crosbie 617-8; Hushion 229; R. D.  
Johnston 169-70, 179; Mancini 179;  
Morgan 169; Rhodes 617-9; Webster 170;  
Williams 617-9; Wronski 618-9.

## **Zoning/rezoning**

M. Campbell 544-5; Cassidy 493; Hall  
503-4, 555-8; Rhodes 507, 558; Wronski  
545.



## By Speakers

### Angus, I. (N.D.P., Fort William)

Advertising/publicity, government 6-7, 121.  
Asbestos/asbestosis 50.

Committee procedures 71-4.

Development Corporation, Northern  
Ontario 138, 144-5.

Development Corporation, Ontario 138,  
144-5.

Energy/management 51.  
Expropriation 69.

Fishing, commercial 7-8.

Gasoline dealers/association, retail 8.  
Grants, tourist associations 7.

Health, occupational 215-6.  
Housing approvals 599-600.

Imports/exports 5-6.  
Indian fishing/hunting 7-8.  
Indian health 55-6.  
Indian income 56.  
Industries, government equity 138.

Land acquisition, industrial 69.

Land severances 599-600.

Loans/grants, industries 34, 144-5.

Loans/grants, pollution abatement 144.

Mercury poisoning 55-6.

Oil companies 8.  
Ontario Place 8, 124.

Parks, industrial 68-8.  
Publications, government 225.

Research, labour 215-6.  
Road signs/traffic lights 8.

Strikes/lockouts 202.

Tax, motor vehicles 9.  
Tendering, Olympics 8.  
Tourist associations, regional 7.  
Trade/convention centres 7.

Workers, immigrant 225.

### Armstrong, T. E. (Labour)

Labour Relations Board 271-3.

Union certification 271-3.

### Bain, R. (N.D.P., Timiskaming)

Forest industries/products 185-6.

Industries, shutdown 185-6.

Strikes/lockouts 185.

Workers, forest industries 185-6.

### Bennett, Hon. C. (P.C., Ottawa South)

Advertising/publicity, government 11-2,  
100, 104-10, 121.

Agents general 118-9.

Automotive trade agreement 65-6, 82-3.

Business Incentives Programme 130-1, 142.

Camp Associates Advertising Ltd. 108-10.

Decentralization, industry 21-2.

Development Corporation, Eastern Ontario  
146-7.

Development Corporation, Northern  
Ontario 133-7, 146-7.

Development Corporation, Ontario 128-47.

Development, industrial 75-8.

Discrimination, sex 39.

Energy/management 50-1.  
Expropriation 69.

Gasoline dealers/association, retail 12.  
Grants, research 47-8.

Highways, heritage 97-9.

Horseracing/racetracks 106-7.

Immigrants 22.

Imports/exports 10-2, 82-7.

Indian employment/unemployment 54-6.

Indian health 55.

Indian income 54-6.

Industries, diversification of 57-8, 75-7.

Industries, foreign/control 36-9, 77.

Industries, government equity 138.

Industries, relocation of 29-30.

Joint venture programme, industrial 77-8.

Land acquisition, industrial 23-4, 31-2, 69.  
Loans/grants, industries 32-5, 69-70,  
128-47.

Loans/grants, pollution abatement 144.

Maple Mountain 142.  
Markets, foreign 94-5.



Mercury poisoning 55-6.  
Minaki Lodge 142.  
Motor vehicle/parts industry 46.  
Mount Madawaska Co-op 41, 143-4.  
Municipal planning/studies 17-8.

Oil companies 12.  
Oil/gasoline prices 100.  
Olympic games 97, 100.  
Ontario House 118.  
Ontario Place 13, 121-6.

Parks, industrial 17-8, 20, 23-4, 69, 78.  
Planning, industrial 14-5, 17-22, 29-32.  
Publications, government 98, 104.  
Pulp/paper companies 30.

Research, industrial 46-8.  
Road signs/traffic lights 98.

Subsidies, industrial 10-1.

Tax, motor vehicles 13.  
Tendering, Olympics 10-1.  
Tourist associations, regional 12, 417.  
Tourist attractions 96-8.

Tourist development/promotion 98-100,  
108-10, 118.

Tourist information/reception centres  
104-6.

Trade/convention centres 12, 115-7.  
Trade missions/offices 118-9.

Workers, women 39.

## Bounsall, E. J. (N.D.P., Windsor-Sandwich)

Accidents, industrial 206.  
Advertising/publicity, government 238.

Bankruptcies 302-3, 305.

Chemicals, noxious 220-1.  
Collective bargaining 157-8.  
Committee, occupational health 219-21.  
Conciliation/mediation 261-4.  
Contracts, union 156-8.

Deviant persons 160-1, 180.  
Discrimination, racial 299-300.  
Discrimination, sex 155-6, 312.

Employment adjustment services 308-10.  
Employment, youth 169-70, 229-30.  
Equal pay for women 155-6, 312-3.

Firefighters/firefighting 299-300.

Government organization/reorganization  
167-70, 174-5.

Grants, International Women's Year 310-2.

Health, occupational 252-3.  
Hours of work 159-60, 197-9.  
Human rights code/commission 160-1,  
299-300.

Industries, shutdown 302-5.  
Inflation programme, federal 261-4.  
Inspection, safety 228-9.

Labour-management relations 155-61,  
165-7, 312-3.  
Labour Relations Board 271-3.  
Labour safety council 219-21.  
Lawyers, Ontario government 203-4.

Maternity/paternity leaves 156.  
Motor vehicle/parts industry 197-9.

Ontario Place 123.

Permits, overtime 160.  
Press, ethnic 238.  
Price/profit/wage controls 157, 261-4.  
Publications, government 230.

Research, industrial 253.  
Research, labour 211-5.

Safety committees, industrial 256-9.  
Safety hazards 258-9.  
Safety, occupational 238-9.  
Severance pay 159, 302-5.  
Strikes/lockouts 158-9.

Unemployment/layoffs 159, 304.  
Union certification 271-3.

Vacations/holidays with pay 160.

Wage, minimum 158-9.  
Wives/husbands, common-law 211.  
Women/girls 197.  
Women's programme, equal opportunity  
311-3.

Workers, domestic 197.  
Workers, mine 175.  
Workers, older 303-4.  
Workers, women 155-6, 310-1.

Youth employment programmes 169-70,  
229-30.

## Boyer, F. J. (Labour)

Advertising/publicity, government 99.

Highways, heritage 99.

Oil/gasoline prices 101.  
Olympic games 97.

Publications, government 98-9.

Road signs/traffic lights 99.

Tourist associations, regional 117.  
Tourist attractions 101-3, 107-8.  
Tourist development/promotion 99, 101-3.

## **Breaugh, M. (N.D.P., Oshawa)**

Housing, senior citizens 690-1.

## **Brown, G. A. (Labour)**

Discrimination, age 289.  
Discrimination, racial 281-2, 299-300.  
Discrimination, weight 285.

Fines/sentences 281-2.  
Firefighters/firefighting 299-300.

Human rights 281-3, 292.  
Human rights code/commission 299-300.

## **Brown, J. W. (Industry and Tourism)**

Ontario Place 122-4.

## **Bryden, M. (N.D.P., Beaches-Woodbine)**

Commission, oil/gasoline prices 372-4.  
Conflict of interest 646.

Energy boards 446-8.  
Energy Corporation, Ontario 472-3.

Gas, natural, rates 446-7.  
Gasoline dealers/association, retail 372-3.

Hearings, energy 371-2.  
Hydro meters 407-8.

Land acquisition, government 644.  
Land use/planning 644-6.

Oil/gasoline prices 372-3.

Townsites, new 643-6.

## **Bullbrook, J. E. (L., Sarnia)**

Apprenticeship 162.  
Collective bargaining 162, 164-5.  
Committee procedures 172-3, 661-3.  
Conciliation/mediation 162-4.

Labour-management relations 161-5

Price/profit/wage controls 163-4.

Workers, American 162.

## **Burkus, J. (Housing)**

HOME programme 577.  
Housing, condominium 582.

Housing, low-cost 534.

## **Burr, F. A. (N.D.P., Windsor-Riverside)**

Energy/management 332-5.  
Energy, solar/wind 333-5.  
Housing/land prices 669.  
Hydro rates 436-7.  
Hydro meters 408.  
Hydro generating stations 444.

Leasing/leases 669.

Mortgages, HOME/subsidized 668.

Nuclear/atomic energy 332-5.

Oil/gasoline prices 443-4.

Parks, nuclear 332-5.  
Pollution, environmental 333.  
Polychlorinated biphenyls 435-6.

Radiation, nuclear 333.  
Research, energy/needs 333, 435

Speed limits 436-7.

Waste recycling 444.

## **Campbell, M. (L., St. George)**

Children, immigrant/ethnic 287.

Daycare/centres 315.  
Discrimination, age 287, 289.  
Discrimination, racial 288, 291, 301.

Discrimination, sex 217-8, 290.  
Doctors, foreign/immigrant 190.

Employment, immigrants 286-7.  
Equal pay for women 217-8, 306-7.

Hospital interns 190.  
 Housing, apartment 543.  
 Housing Corporation, Ontario 655-6.  
 Housing/land prices 541-2, 551.  
 Housing, low-cost 534-6.  
 Housing, senior citizens 545-7.  
 Housing shortage 547-51.  
 Human rights code/commission 286-8, 301.

Land acquisition, OHC 542-3, 655.  
 Land, serviced 535, 541-4.  
 Land use/planning 534-6, 542-7.

Mothers, working 217-8.  
 Municipal planning/studies 534-6, 544.

Publications, government 225.

Research, labour 217-8.

Security guards/agencies 218.

Transportation planning/studies 549-51.

Unions 286-7, 291.

Women's programme, equal opportunity 313-6.

Workers, apartment buildings 190-1.

Workers, immigrant 225.

Zoning/rezoning 544-5.

## Campbell, S. (Housing)

Estimates, re the 517-8, 521.

## Cassidy, M. (N.D.P., Ottawa Centre)

Autonomy, municipal/regional 530-1, 533-4.

Committee procedures 173.

Decentralization, industry 21-2.

Design for Development: Toronto-centred region 484-5.

Discrimination, sex 39.

Energy/management 50-1.

Estimates, re the 519.

Expropriation 649-51.

Grants, home buyers 484.

HOME programme 494-6.

Housing Action programme 481-2.

Housing, adults only 293-4, 497.

Housing, condominium 582-3.

Housing/land prices 481, 492-4, 578, 648.

Housing, low-cost 478-9, 485-6, 529, 531-3, 580.

Housing renewal programmes 652.

Housing shortage 478-87, 491-7, 531-3.

Housing starts 479, 482-3, 580-2.

Human rights code/commission 293-4.

Immigrants 22.

Incentives, industries 579-80.

Industries, foreign/control 36-9.

Land, commercial/industrial 493.

Land development, Carlsbad Springs 652.

Land development, Vaughan housing 647.

Land use/planning 492-4.

Leasing/leases 495-6.

Municipal Board, Ontario 620-1.

Municipal planning/studies 619-20.

Pickering North project 649-51.

Planning, housing 580.

Planning, industrial 19-22.

Tape recordings 479-80.

Urban growth/sprawl 531-3.

Workers, women 39.

Zoning/rezoning 493.

## Clarke, M. (Labour)

Discrimination, sex 312.

Equal pay for women 313.

Labour-management relations 312-3.

Women's programme, equal opportunity 311-4.

Workers, women 311-3.

## Clendinning, R. (Energy)

Pipelines, oil/gas 459.

## Cleverdon, R. K. (Labour)

Accidents, occupational 241-3, 246.

Advertising/publicity, government 238-9.

Alcohol abuse/addiction 230.

Employment, youth 229-30.

Fatalities/deaths 241-3.



Fines/sentences 231, 243, 246.

Health, occupational 253-4.

Inspection, health 254-5.

Inspection, safety 229-30, 232-3.

Press, ethnic 238-9.

Publications, government 230.

Radio/television 238-9.

Safety committees, industrial 258-9.

Safety hazards 258-9.

Safety, occupational 226-7, 229-33, 239, 241-4.

Vocational/trades training 239, 241.

Workers, utilities 227-8.

Youth employment programmes 229-30.

## **Conway, S. (L., Renfrew North)**

Mount Madawaska Co-op 40-1, 142-4.

Municipal planning/studies 17-8.

Parks, industrial 17.

## **Cooper, R. T. (Industry and Tourism)**

Parks, industrial 15.

Planning, industrial 15-6, 30-1.

## **Crosbie, D. A. (Housing)**

Assessment/reassessment 626-7.

Committee, land division/separation 627.

Downtown redevelopment 629.

Estimates, re the 518, 520.

Housing Corporation, Ontario 655.

Housing, mobile 626-7.

Youth employment programmes 617-8

## **Cunningham, E. (L., Wentworth North)**

Advertising/publicity, government 108-10.

Buses, energy 359.

Camp Associates Advertising Ltd. 108-10.

Containers, returnable/non-returnable 358, 361.

Energy/management 357-9.

Heat pumps 358, 361.

Hours of work 358.

Hydro rates 359.

Imports/exports 83.

Motor vehicles 358.

Tourist development/promotion 108-10.

Waste recycling 357-8, 361.

## **Davidson, M. (N.D.P., Cambridge)**

Health, occupational 202.

Oil, fuel 445.

## **Dickie, W. H. (Labour)**

Conciliation/mediation 261-4.

Inflation programme, federal, 261-4.

Price/profit/wage controls 261-4.

## **Dillon, R. M. (Energy)**

Coal/lignite 331-2.

Energy/management 329-32.

Gas, natural 330-1.

Gas, natural, shortage 362.

Heavy water process 462.

Hydro, Ontario 455-8.

Nuclear/atomic energy 642-3.

Oil/gasoline shortage 362.

Oil production 329-31.

Pipelines, oil/gas 330.

Radiation, nuclear 463.

Tar sands 330.

Uranium 332.

## **di Santo, O. (N.D.P., Downsview)**

Accidents, occupational 231-2, 240-2.  
Advertising/publicity, government 241.

Discrimination, racial 273-7, 301-2.

Employment agencies 275.

Fatalities/deaths 242.

Fines/sentences 231-2.

Hate propaganda 274-7.

Human rights 273.

Human rights code/commission 301-2.

Immigrants, skilled 275-8.

Indian health 274, 276-7.

Indian poverty/welfare 274, 276-7.

Inspection, safety 232.

Mercury poisoning 274.

Minorities/ethnic groups 274-7.

Radio/television 241.

Safety, occupational 231-2, 241-2.

Workers, immigrant 241.

## **Drea, F. (P.C., Scarborough Centre)**

Committee procedures 71-4.

Development, industrial 76-7.

Industries, foreign/control 77.

Joint venture programme, industrial 77-8.

Land development, Gordonridge 663-5.

Television, cable 663-4.

## **Eakins, J. (L., Victoria-Haliburton)**

Government spending 9-10.

Imports/exports 83-4.

Industries, diversification of 70-1.

Industries, service 78-9.

Maple Mountain 142.

Mercury poisoning 53.

Minaki Lodge 142.

Parks, industrial 70-1.

Planning, industrial 31-2.

Publications, government 98.

Research, industrial 47.

Subsidies, industrial 9.

Tendering, Olympics 9.

Tourist attractions 97.

Tourist development/promotion 98, 103.

Trade missions/offices 81, 84.

## **Eastham, K. (Labour)**

Civil servants, senior 319.

Workers, women 319.

## **Eaton, R. G. (P.C., Middlesex)**

Committee procedures 72-4.

Compensation, farmers 381.

HOME programme 675-6, 678-80.

Housing, rental 676.

Housing, senior citizens 674-5, 679-81.

Imports/exports 39-40, 93.

Land severances 611-2.

Land subdivision 612.

Lotteries, OHC 678-9.

Municipal Board, Ontario 600-3, 612-3.

Municipal planning/studies 600-3, 612-3.

Parks, industrial 15.

Planning, industrial 14-5.

Trade missions/offices 87-8, 93.

## **Farrow, G. M. (Housing)**

Land severances 605, 611-2.

Land subdivision 612.

Municipal Board, Ontario 612.

## **Forster, J. R. (Housing)**

Airport, Pickering 635.

Farms/farm lands 639.

Land, commercial/industrial 640-1.

Land use/planning 638-40, 643.

Pickering North project 634-5, 638-43.

Planning, industrial 640-1.

## **Foulds, J. F. (N.D.P., Port Arthur)**

Oil/gasoline prices 400-2.

Tax, gasoline/motor fuels 400.

Price differential, regional 400-2.

Price freeze, oil 401-2.

## **Fowler, W. A. (Industry and Tourism)**

Imports/exports 81-3, 93-5.

Trade fairs 95.

Markets, foreign 94.

Trade missions/offices 81, 93-5.

## **Frame, A. (Energy)**

Compensation, farmers 381-2.

Hydro power/lines 364, 382.

Hydro corridors 380-2.

Hydro rates 386-8.

Hydro generating stations 363-5, 367,

Reservoirs, water 363-5.

## **Garland, M. L. (Industry and Tourism)**

Development, industrial 68.

Motor vehicle/parts industry 43, 65-6.

Energy/management 50-1.

Parks, industrial 66-7.

Industries, diversification of 57, 63-6.

Research, industrial 42-5.

Industries, foreign/control 77-8.

Industries, service 78-9.

Trade missions/offices 65, 67-8.

Joint venture programme, industrial 77-8.

## **Gaunt, M. (L., Huron-Bruce)**

Conservation authorities 589-92.

Land subdivision 588-91.

Energy/management 383-7.

Motor vehicle/parts industry 43-6.

Flooding/control 591.

Research, industrial 43-6.

Hydro corridors 383-5.

## **Germa, M. C. (N.D.P., Sudbury)**

Automation/mechanization 260.

Safety, occupational 260.

Government organization/reorganization  
174.

Workers, mine 174.

## **Gigantes, E. (N.D.P., Carleton East)**

Energy boards 451-8.

Hydro, Ontario 452-8.

Hydro rates 455-6.

## **Godfrey, C. (N.D.P., Durham West)**

Airport, Pickering 635, 642-3.

Pickering North project 634-43.

County/township affairs 642.

Planning, industrial 640-1.

Farms/farm lands 637, 639.

Regional municipality, Durham 642.

Land, commercial/industrial 640-1.

Transit, public/rapid 638.

Land use/planning 637-40.



## Grossman, L. (P.C., St. Andrew-St. Patrick)

Markets, foreign 94.

## Haggerty, R. (L., Erie)

Accidents, industrial 206.  
Advertising/publicity, government 103-7.  
Alcohol abuse/addiction 230-1.  
Apprenticeship 200-2.

Discrimination, weight 284-5.

Health, occupational 221.  
HOME programme 593-4.  
Horseracing/racetracks 106-7.  
Housing Corporation, Ontario 592-5.  
Housing/land prices 593-5.

Publications, government 103-4, 225.

Research, labour 204-6.

Safety committees, industrial 222-4.  
Safety, occupational 221.

Tourist information/reception centres  
104-6.

Workers, American 200.  
Workers, disabled/injured 201.  
Workers, immigrant 225.  
Workmen's compensation/board 224-5.

## Hall, R. (L., Lincoln)

Advertising/publicity, government 527-8.  
Assessment equalization 553.

Commission, Niagara escarpment 555-8,  
632.

Committee, land division/separation 632.

Estimates, re the 518-21.

Farms/farm lands 500, 605-7.

Hearings, development control 556-7.  
HOME programme 499.

Housing Action programme 498-9.

Housing, condominium 502.

Housing/land prices 499-500, 554-5.

Housing, low-cost 554-5.

Housing shortage 497-504, 528, 605-9.

Housing starts 498.

Interest/rates 502-3.

Land, serviced 498-502, 554-5.

Land severances 606, 631-4.

Land use/planning 500-4, 355-8, 605-7, 633.

Municipal planning/studies 606-7.

Regional municipality, Haldimand-Norfolk  
607-9.

Sewerage 554-5.

Tax, municipal/regional 553-4.

Tax, property 551-2.

Tax relief, residential 552-3.

Townsites, new 606-7.

Warranties, housing 503.

Zoning/rezoning 503-4, 555-8.

## Hess, P. (Labour)

Lawyers, Ontario government 203-4.

## Higgin, R. (Energy)

Hydro generating stations 444.

Polychlorinated biphenyls 435-6.

Waste recycling 444-5.

## Hushion, D. E. (Labour)

Employment, youth 229.

Government organization/reorganization  
227-9.

Inspection, safety 229.

Safety, occupational 227-9.

Youth employment programmes 229.

## Jackson, A. B. (Energy)

Commission, Hydro planning 467-8.

Energy boards 453-4, 466-7.

Energy costs 448-9.

Gas, natural 448-9.

Gas, natural, rates 449.

Gas utilities 470.

Hydro, Ontario 453-4, 466-7.

Pipelines, oil/gas 459.

## Johnson, J. (P.C., Wellington-Dufferin-Peel)

Accidents, occupational 230-1.  
Alcohol abuse/addiction 230-1.

Building codes/standards 565.

Collective bargaining 218.  
Commuters/services 566.  
Compensation, farmers 381-2.

Development corporations, regional 138.  
Development, industrial 75-6.  
Drug abuse/addiction 230-1.

Housing/land prices 564.  
Housing, low-cost 564-5.  
Housing, senior citizens 565, 677.  
Hydro corridors 380-2.  
Hydro power/lines 382.

Incentives, industries 565.  
Industries, diversification of 75.  
Inflation programme, federal 218.

Land acquisition, municipal 677.  
Land, serviced 564-5.  
Land severances 565.  
Loans/grants, industries 138.

Retirement 301.

Safety, occupational 230.

Tax, property 565.

Wage, minimum 185.

## Johnston, R. D. (Labour)

Accidents, occupational 243, 245.  
Advertising/publicity, government 238-9.  
Apprenticeship 306.  
Arbitration/boards 264-7.

Bankruptcies 305.  
Burwash institution 251.

Conciliation/mediation 166, 266.

Employment adjustment services 308-9.  
Employment, youth 169-70, 179.  
Equal pay for women 307.

Fatalities/deaths 243, 245.  
Fines/sentences 243, 245.

Government organization/reorganization  
167-70.

Heat levels/control 256.  
Hours of work 195-6.  
Human rights code/commission 300-1.

Industries, shutdown 305.

Labour-management relations 166.  
Lawyers, Ontario government 203.  
Licences, trades, provincial 306.

Permits, overtime 196.

Radio/television 238-9.  
Rehabilitation, vocational 251.  
Research, labour 204-6.

Safety committees, industrial 257-8.  
Safety hazards 258-9.  
Safety, occupational 238-40, 243, 260.  
Severance pay 305.

Vocational/trades training 239, 306.

Women/girls 264-5.  
Workers, disabled/injured 251.  
Workers, immigrant 238-40.

Youth employment programmes 169-70,  
179.

## Jones, D. F. (Labour)

Chemicals, noxious 220-1.  
Committee, occupational health 220.

Labour safety council 220, 260.

Safety committees, industrial 224.

## Joyce, J. H. (Industry and Tourism)

Development Corporation, Ontario 139-41.

Loans/grants, industries 139-41.

## Kennedy, R. D. (P.C., Mississauga South)

Committee procedures 662.

Housing, senior citizens 673-4.

## Kerrio, V. (L., Niagara Falls)

Committee, land division/separation 615.

Land, serviced 616-7.

Housing/land prices 616.

Land severances 615.

## Kinley, J. R. (Labour)

Research, civil/human rights 279-80.

Wage, minimum 182.

Research, labour 215.

## Lamb, P. (Energy)

Exploration/prospecting 411-2, 416-7

Hydro-Shell project 411-2.

Hydro-Amok project 411-2, 416-7.

Uranium 411-2, 416-7.

## Laughren, F. (N.D.P., Nickel Belt)

Asbestos/asbestosis 247-8.

Rehabilitation, vocational 250-1.

Burwash institution 251.

Wage, minimum 182-3.

Cancer/patients 246-9.

Workers, disabled/injured 250-1.

Deaf/hard of hearing 247.

Workers, forest industries 183.

Health, occupational 246-52.

Workers, mine 246-9.

Workers, unorganized/underpaid 183.

## Lawlor, P. D. (N.D.P., Lakeshore)

Tape recordings 480.

## Lewis, S. (N.D.P., Scarborough West)

Commission, oil/gasoline prices 426-35.

Oil/gasoline prices 395, 425-35.

Compensation, farmers 382-3.

Price differential, regional 395, 432-3.

Exploration/prospecting 398-9.

Uranium 398-9, 416-9.

Gasoline dealers/association, retail 425-6.

Grants, Northern Ontario 432-4.

Hydro-Amok project 416-7.

Hydro corridors 382-3.

Hydro-Shell project 417-8.

## Lupusella, A. (N.D.P., Dovercourt)

Accidents, occupational 242-3.

Radio/television 240.

Advertising/publicity, government 240.

Safety, occupational 240, 242-3.

Fatalities/deaths 242-3.

Workers, immigrant 240.

Fines/sentences 242-4.



## Mackenzie, R. (N.D.P., Hamilton East)

Accidents, occupational 245-6.

Cancer/patients 253.

Deaf/hard of hearing 254.

Discrimination, racial 290-1.

Fines/sentences 245-6.

Health, occupational 253-4.

Inflation programme, federal 262.

Noise levels/control 254.

Safety hazards 259.

Safety, occupational 245-6.

Unions 291.

## MacOdrum, I. B. (Energy)

Energy/management 355, 372, 390-1.

Gas, natural 390-1, 450-1, 470-1.

Gas, natural, leakage 391.

Gas natural, rates 355.

Gas utilities 470.

Hearings, energy 372.

Pipelines, oil/gas 470-1.

Reservoirs, gas/oil 390-1, 450-1.

## Makarchuk, M. (N.D.P., Brantford)

Building codes/standards 568-72, 630-1.

CANDU programme 393.

Coal/lignite 400.

Committee, land division/separation 627-8.

Credit unions 685.

Downtown redevelopment 629.

Energy costs 379-80.

Energy/management 391-400.

Exploration/prospecting 391-3, 397-9, 411-5.

Flooding/control 591-2.

Gas, manufactured 394.

Gas, natural, leakage 391.

HOME programme 577-8, 630, 683-4.

Housing Action programme 573-5.

Housing authorities/association 686-9.

Housing/land prices 569-73, 685.

Housing, low-cost 571-4, 630-1, 681-2.

Housing ministry personnel 567-8.

Housing renewal programmes 576-6.

Housing, rental 681.

Housing, senior citizens 576, 599.

Housing shortage 574-5.

Housing starts 682-4.

Hydro-Amok project 415.

Hydro-Shell project 411-5.

Interest/rates 685.

Land acquisition, OHC 569-70, 572.

Land assembly/banks 682, 685-6.

Land severances 627-8, 630.

Land subdivision 591-2.

Landlord/tenant 686-8.

Mortgages, HOME/subsidized 685.

Oil/gasoline prices 375-7, 394-6.

Price differential, regional 394-6.

Regional municipality, Haldimand-Norfolk 628-9.

Rent/control 687.

Reservoirs, gas/oil 391-2.

Shopping plazas/centres 629-30.

Syncrude Canada Ltd. 393.

Tar sands 394.

Uranium 397-8, 411-5.

## Mancini, R. (L., Essex South)

Apprenticeship 218-9, 306.

Arbitration/boards 264-5.

Deviant persons 179-80.

Discrimination, racial 180-1, 281.

Employment, youth 179.

Fines/sentences 281.

Human rights code/commission 280-2.

Labour safety council 259-60.

Licences, trades, provincial 305-6.

Minorities/ethnic groups 180-1.

Research, civil/human rights 279.

Safety, occupational 226-7, 239-40.

Schools, vocational 218-9.

Teachers 179-80.

Vocational/trades training 306.

Women/girls 264-5.

Workers, American 306.

Workers, utilities 227-8.

Youth employment programmes 179.

## **Martel, E. W. (N.D.P., Sudbury East)**

Permits, overtime 192, 194.

Radiation, nuclear 192-4.

Safety committees, industrial 223-4.

Safety, occupational 192, 225-6.

Silicosis 193-4.

Workers, mine 192-4.

## **Martin, P. J. (Housing)**

Housing Action programme 573-4, 586-7.

Housing starts 581.

Loans/grants, municipalities 586-7.

## **Matthews, J. (Energy)**

Exploration/prospecting 412-5, 418-9.

Hydro-Amok project 415.

Hydro-Shell project 412-5, 418-9.

Uranium 412-5, 418-9.

## **McCague, G. (P.C., Dufferin-Simcoe)**

Hours of work 202.

Hydro corridors 371.

Ontario Place 126.

Pipelines, oil/gas 459.

## **McDonald, R. M. (Housing)**

Housing/land prices 668.

Lotteries, OHC 679.

Mortgages, HOME/subsidized 668

## **McEwen, J. E. (L., Frontenac-Addington)**

Parks, industrial 18.

Planning, industrial 18.

## **McLellan, E. (Labour)**

Civil servants, senior 319.

Daycare/centres 315.

Grants, International Women's Year  
310-1, 315-6.

Women's programme, equal opportunity  
310-1, 314-9.

Workers, women 310-1, 318-9.

## **McPhee, R. W. (Labour)**

Children, immigrant/ethnic 289.

Discrimination, racial 280-1, 288-92, 299.

Discrimination, sex 289-90.

Employment, immigrants 288.

Fines/sentences 281.

Firefighters/firefighting 299.

Hate propaganda 281.

Human rights code/commission 278-82,  
289-90, 292, 299.

Minorities/ethnic groups 280-2, 289-90.

Research, civil/human rights 279.

Unions 288, 291-2.

## Miller, G. I. (L., Haldimand-Norfolk)

Gas, natural 450-1, 470.

Gas utilities 470.

Pipelines, oil/gas 470-1.

Reservoirs, gas/oil 450-1.

## Moffatt, D. (N.D.P., Durham East)

Housing Action programme 586-8.

Housing, senior citizens 585-6.

Land acquisition, OHC 585.

Loans/grants, municipalities 586-7.

Tax, land transfer 588.

## Morgan, D. J. (Labour)

Employment, youth 169.

Youth employment programmes 169.

Government organization/reorganization  
169.

## Newman, B. (L., Windsor-Walkerville)

Advertising/publicity, government 99.

Automotive trade agreement 64-5, 82-3.

Deaf/hard of hearing 255.

Discrimination, handicapped 283-6.

Discrimination, weight 284-5.

Fires 254-5.

Gasoline dealers/association, retail 196.

Heat levels/control 256.

Highways, heritage 99.

Hours of work 195-6.

Human rights code/commission 283-6.

Hydro generating stations 367.

Imports/exports 81-2.

Indian health 56.

Industries, diversification of 56-8, 63-6.

Inspection, health 254-5.

Mental health/illness 283-4.

Mercury poisoning 56.

Motor vehicle/parts industry 65-6.

Noise levels/control 255.

Oil/gasoline prices 100-1.

Olympic games 99-100.

Permits, overtime 196.

Retirement 285-6.

Tourist attractions 101-3.

Tourist development/promotion 100-3.

Unemployment/layoffs 307-8.

Vinyl chloride 53.

Workers, American 195.

Workers, handicapped 196, 216-7.

## Norton, K. (P.C., Kingston and the Islands)

Committee procedures 172.

Exploration/prospecting 416, 419.

Housing, apartment 584.

Housing approvals 583-4.

Housing, condominium 584-5.

Housing Corporation, Ontario 584.

Human rights code/commission 292.

Hydro-Amok project 416, 419.

Hydro-Shell project 419.

Oil/gasoline prices 430-1.

Olympic games 292.

Ontario Place 125.

Tax, land speculation 585.

Tourist attractions 107-8.

Tourist development/promotion 118.

Trade/convention centres 115-6.

Uranium 416, 419.

Wage, minimum 181-2.

## O'Neil, H. (L., Quinte)

Women's programme, equal opportunity  
316-7.



## Peterson, D. (L., London Centre)

Commission, Hydro planning 336.  
Containers, returnable/non-returnable 339.

Energy/management 335-43.  
Energy, solar/wind 335-6, 341.

Gas, natural 340-1.

Hydro costs 339-40.  
Hydro power/lines 340.  
Hydro rates 336-7.

Imports/exports 84-7.

Licences, motor vehicle 338.

Motor vehicles 338-9.

Nuclear/atomic energy 341.

Oil/gasoline prices 336-7.  
Oil/gasoline shortage 338-9.

Speed limits 339.  
Steam 341.

Tax, motor vehicles 338-9.  
Trade missions/offices 84-7.

Waste recycling 341.

## Philip, E. (N.D.P., Etobicoke)

Commission, oil/gasoline prices 421-2.

Gasoline dealers/association, retail 420-4.

Oil/gasoline prices 421-4.

## Pillgrem, F. J. (Industry and Tourism)

Experience '75 117

Indian health 53-6.  
Indian income 54.

Loans/grants, industries 32-3, 35.

Mercury poisoning 52-6.  
Motor vehicle/parts industry 46.

Pulp/paper companies 52.

Research, industrial 46.

## Pinnington, P. E. (Energy)

Commission, oil/gasoline prices 373-4.

Energy costs 379.

Oil/gasoline prices 430.

## Radford, D. (Labour)

Employment adjustment services 309-10.  
Equal pay for women 307.

Fines/sentences 307.

Unemployment/layoffs 308.

## Radford, N. R. (Industry and Tourism)

Joint venture programme, industrial 78.

Trade missions/offices 119-21.

## Reed, J. (L., Halton-Burlington)

Energy Corporation, Ontario 471-2.  
Energy/management 352-3.

Greenhouses/florists 363-5, 472.

Hydro generating stations 363.

Natural resources/management 363.

Reservoirs, water 363-5, 472.

Syncrude Canada Ltd. 353.

Waste recycling 363.

## Reid, T. P. (Lib.-Lab., Rainy River)

Apprenticeship 187-90.

Ontario Place 121-4.

Tourist association, regional 117.

## Hon. J. Rhodes (P.C., Sault Ste. Marie)

Advertising/publicity, government 527-8.  
Airport, Pickering 635, 642-3.  
Appraisers/appraisals 672-3.  
Assessment equalization 553.  
Autonomy, municipal/regional 530-1, 533-4.

Building codes/standards 565, 630-1

Committee, land division/separation 615, 627-8.

Commuters/services 566-7.

Conflict of interest 646.

Conservation authorities 590.

County/township affairs 642.

Credit unions 685.

Downtown redevelopment 629.

Estimates, re the 517-21.

Expropriation 649-51.

Farms/farm lands 506.

Flooding/control 590.

Grants, home buyers 508.

Hearings, development control 558.

HOME programme 506-7, 577-8, 593, 666-9, 678-9.

Housing 477-8, 504-11.

Housing Action programme 574-5, 587.

Housing, apartment 543, 584.

Housing approvals 583-4, 600.

Housing authorities/association 686, 688.

Housing, condominium 584-5.

Housing Corporation, Ontario 584.

Housing/land prices 551, 570, 573-4, 578, 592-5, 666-8, 685, 688.

Housing, low-cost 508-9, 571-4, 580-1, 681-2, 688.

Housing Ministry personnel 567-8.

Housing, mobile 524-7, 625-7.

Housing renewal programmes 576, 652.

Housing, rental 681.

Housing, senior citizens 545-7, 599, 691.

Housing shortage 531-2, 547-8, 574-5.

Housing starts 509, 684.

Incentives, industries 566, 579-80.

Indian housing 605.

Interest/rates 508, 684-5, 688.

Land acquisition, OHC 542-3, 570, 572, 585.

Land assembly/banks 685-6.

Land, commercial/industrial 579, 640-1.

Land development, Vaughan housing 647.

Land, serviced 507, 509, 543, 565, 616-7, 666-9.

Land severances 566, 612-5, 630, 632-4.

Land subdivision 588-91, 612-3.

Land use/planning 504-11, 529-31, 645.

Landlord/tenant 686-8.

Leasing/leases 669.

Loans/grants, housing 617-8.

Loans/grants, municipalities 586-7.

Lotteries, OHC 678.

Mortgages, HOME/subsidized 668, 684-5.

Municipal Board, Ontario 602, 620-1.

Municipal planning/studies 540-1, 546-7, 601-4, 619-20, 648.

Pickering North project 634.

Planning, housing 580.

Planning industrial 640.

Regional municipality, Haldimand-Norfolk 608.

Shopping plazas/centres 630.

Tax, land speculation 585.

Tax, municipal/regional 553-4.

Tax relief, residential 552.

Townsites, new 608-9.

Transit, public/rapid 638.

Transportation planning/studies 549-50.

Transportation terminals 550-1.

Urban growth/sprawl 531-3, 565-6.

Youth employment programmes 617-9.

Zoning/rezoning 507, 558.

## Riggs, R. W. (Housing)

HOME programme 667-9, 682-4.

Housing/land prices 667-9.

Housing, low-cost 688-9.

Housing starts 682-3.

Land acquisition, municipal 677-8.

Land acquisition, OHC 655, 688-9.

Land development, Gordonridge 664

Landlord/tenant 687.

Leasing/leases 669.

Loans/grants, housing 677, 689.

Rent/control 687.

## Rose, J. B. (Housing)

Building codes/standards 565, 631.

HOME programme 594, 675-6.

Housing 547.

Housing authorities/association 687-8.

Housing/land prices 551, 570, 594, 670.

Housing, rental 676.

Housing, senior citizens 576, 586, 673-7, 679-81.

Housing starts 580-1.

Indian housing 653-4.

Landlord/tenant 687.  
Leasing/leases 670.

Mortgages, HOME/subsidized 670.

## Rowe, I. H. (Energy)

Energy/management 354-5, 359-61, 367-8.

Heat pumps 360.  
Hours of work 360.  
Hydro meters 407-8.

Insulation 367.

## Roy, A. J. (L., Ottawa East)

Agents general 118-9.

Commission, oil/gasoline prices 469.  
Committee procedures 663.

Development Corporation, Eastern Ontario  
145-6.

Development Corporation, Ontario 126-30,  
145-6.

## Ruston, R. F. (L., Essex North)

Energy costs 448-9.  
Energy/management 365-7.

Gas, natural 366, 448-9.

Hydro generating stations 366-7.

Insulation 365.

## Samis, G. (N.D.P., Cornwall)

Committee procedures 73-4.

Olympic games 97.

Parks, industrial 22-4.

## Sargent, E. (L., Grey-Bruce)

Appraisers/appraisals 672-3.

Committee, land division/separation 615.

Deeds/land titles 669-70.

Energy boards 459-66.

Hearings, energy 465-6.  
Heavy water process 460-1.  
Housing/land prices 669-73.

Land severances 613-5.  
Lawyers' fees/salaries 465-6.

## Scott, R. A. (Energy)

Exploration/prospecting 397, 399.

Hydro generating stations 363.

Television, cable 665.

Motor vehicles 360.

Research, energy/needs 354, 359-60.

Speed limits 360, 367-8.

Waste recycling 359-60.

Loans/grants, industries 126-30, 145-6.

Oil/gasoline prices 468-9.  
Ontario House 118.  
Ontario Place 122-3.

Motor vehicles 366.

Oil/gasoline shortage 366.

Speed limits 366.

Tourist attractions 96-7.  
Trade missions/offices 118.

Leasing/leases 669-70.  
Loans/grants, industries 32-5, 37, 69-70.

Minaki Lodge 37.  
Motor vehicle/parts industry 49-50.

Nuclear/atomic energy 461-6.

Planning, economic 16-7.

Radiation, nuclear 462-4.  
Regional municipality, Haldimand-Norfolk  
608.  
Research, industrial 48-9.

Uranium 397, 399.



## Singer, V. M. (L., Wilson Heights)

Estimates, re the 517-21.

## Skolnik, M. (Labour)

Accidents, industrial 206.

Employment, youth 213.

Hours of work 195-6, 198-9, 202-3.

Research, labour 188-9, 195-6, 202-8, 211-7.

Unemployment/layoffs 189.  
Unions 206.

Wage, minimum 206, 213  
Workers, handicapped 216.

## Smith, R. S. (L., Nipissing)

Committee procedures 172-3.  
Conciliation/mediation 171-3.

Development Corporation, Northern  
Ontario 131-7.

Loans/grants, industries 131-7.

Ontario Place 124.

Strike, paperworkers 171-3.

Trade missions/offices 119.

## Spence, J. P. (L., Kent-Elgin)

Exploration/prospecting 390-1.

Gas, natural 391, 449-51.

Highways, heritage 97.

Ontario Place 124.

Reservoirs, gas/oil 390-1, 449-51.

## Stadelman, W. R. (Industry and Tourism)

Asbestos/asbestosis 50.

Grants, research 48-9.

Mercury poisoning 52-3.  
Motor vehicle/parts industry 49.

Pulp/paper companies 52.

Research, industrial 48-53.

Vinyl chloride 53.

## Hon. B. Stephenson (P.C., York Mills)

Accidents, occupational 153-4, 230-1, 241-6.  
Alcohol abuse/addiction 230-1.  
Apprenticeship 189-90, 218-9.  
Asbestos/asbestosis 154.

Cancer/patients 253.  
Collective bargaining 152, 218.  
Committee, occupational health 219-21.  
Conciliation/mediation 165-7, 171-2, 261.

Deaf/hard of hearing 251-2, 254-5.  
Deviant persons 180.  
Discrimination, handicapped 283-6.  
Discrimination, racial 180.  
Discrimination, weight 284-5.  
Doctors, foreign/immigrant 191.  
Drug abuse/addiction 230-1.

Equal pay for women 166-7, 217-8.

Fatalities/deaths 153-4, 241-5.  
Fines/sentences 231, 242-6.  
Fires 254-5.

Government organization/reorganization  
174.

Health, occupational 202, 216, 221, 250-2.  
Heat levels/control 256.  
Hospital interns 191.  
Hours of work 195, 198-9, 202.  
Housing, adults only 295.  
Human rights code/commission 152, 277-8,  
283-6, 295, 300-2.

Immigrants, skilled 277-8.  
Indian health 277.  
Inflation programme, federal 218, 261.  
Inspection, safety 232.

Labour-management relations 151-5.  
Labour safety council 219-21.

Maternity/paternity leave 167.  
Mercury poisoning 277.  
Minorities/ethnic groups 180.  
Mothers, working 218.

Noise levels/control 251-2, 254-5.

Permits, overtime 192.

Price/profit/wage controls 261.

Publications, government 225.

Radiation, nuclear 192-4.

Rehabilitation, vocational 251.

Research, industrial 154-5, 253.

Retirement 285-6.

Safety committees, industrial 222-4, 256, 258.

Safety, occupational 153-4, 225-7, 230-2, 238, 240-2.

Schools, vocational 218-9.

Security guards/agencies 218.

Severance pay 167, 304.

Silicosis 193-4.

Strike, paperworkers 171-3, 181.

Strikes/lockouts 152.

Teachers 180.

Wage, minimum 154, 167, 181-2.

Women/girls 197.

Workers, American 195.

Workers, apartment buildings 190.

Workers, domestic 197.

Workers, handicapped 217.

Workers, immigrant 225, 238.

Workers, mine 174.

Workers, unorganized/underpaid 184-5.

Workers, utilities 227-8.

Workers, women 153.

Workmen's compensation/board 224-5.

## Stortchak, A. (Energy)

Exploration/prospecting 397-8.

Uranium 397-8.

## Sweeney, J. (L., Kitchener-Wilmot)

Committee procedures 661-3.

HOME programme 665-6.

Housing 606.

Housing/land prices 592, 666, 668.

Housing, mobile 625-7.

Land, serviced 665-8.

Tape recordings 480.

Townsites, new 606-8.

## Thacker, J. J. (Energy)

Food prices 389.

Oil/gasoline prices 377-8, 389.

## Hon. D. Timbrell (P.C., Don Mills)

Advertising, Hydro 353-4.

Advertising/publicity, government 357.

Building codes/standards 355.

Buses, energy 355, 388, 437.

CANDU programme 393-4.

Coal/lignite 325, 400.

Commission, Hydro planning 327, 344.

Commission, oil/gasoline prices 324-5, 374-7, 395-6, 410, 421-2, 426-34, 469.

Committee, Hydro rates 326-7, 468.

Committee, municipal utilities 327.

Electric utilities 408-9.

Energy boards 446-70.

Energy board personnel 448.

Energy Corporation, Ontario 328, 471-2.

Energy costs 379-80.

Energy/management 323-9, 343-7, 351-65, 371-402, 407-38.

Energy, solar/wind 327, 343-4, 351.

Exploration/prospecting 390-3, 397-9, 413-9

Food costs 389.

Food prices 388-9.

Gas, manufactured 394.

Gas, natural 325, 391.

Gas, natural, rates 446-7.

Gasoline dealers/association, retail 356-7, 374, 420-2, 425-6.

Grants, Northern Ontario 432-3.

Greenhouses/florists 365, 389, 472.

Hearings, energy 371-2, 465-6.

Heavy water process 460-1.

Hydro corridors 371, 380-5.

Hydro costs 325-6, 352.

Hydro generating stations 363-5, 367

Hydro meters 408-9.

Hydro, Ontario 452-8.

Hydro power/lines 347, 360-1.

Hydro rates 326, 344, 355, 386-8, 437, 455-6.

Hydro-Shell project 413-5, 417-9.

Lawyers' fees/salaries 465-6.

Motor vehicles 346-7.

Nuclear/atomic energy 461-6.

Oil, fuel 445.

Oil/gasoline prices 324, 345, 356-7, 373-9, 388, 394-6, 400-2, 410, 421-35, 443-6, 468-9.

Pipelines, oil/gas 459.

Polar Gas project 328, 392-4.  
Price differential, regional 356, 394-6,  
400-2, 410, 432-4.  
Price freeze, oil 324, 345, 401-2, 445-6.

Radiation, nuclear 463-4.  
Research, energy/needs 354, 435.  
Reservoirs, water 364, 472.

Speed limits 437-8.  
Syncrude Canada Ltd. 328, 353, 392-4.  
Tar sands 353, 394.  
Tax, gasoline/motor fuels 400.  
Uranium 325, 345-6, 397-9, 413-9.  
Waste recycling 362-3, 444.

## **Warner, D. (N.D.P., Scarborough-Ellesmere)**

Arbitration/boards 266-7.

Conciliation/mediation 266.

## **Webster, G. A. (Labour)**

Youth employment programmes 170.

## **Wildman, B. (N.D.P., Algoma)**

Accidents, occupational 244-5.  
Advertising, Hydro 353.  
Advertising/publicity, government 357.

Business Incentives Programme 130-1.

Civil servants, senior 319.  
Commission, oil/gasoline prices 410.  
Committee procedures 71-2.

Development Corporation, Ontario 130-1,  
139-40.  
Development, industrial 68, 78.

Electric utilities 408-9.  
Energy/management 353.  
Experience '75 117.  
Exploration/prospecting 388.

Fines/sentences 244-5.  
Food costs 389.  
Food prices 388-9.

Gasoline dealers/association, retail 356-7.

Housing, mobile 521-7.  
Housing shortage 522.  
Hydro meters 408-9.

Imports/exports 93-4.  
Indian housing 605, 653-4.  
Indian income 54-5.

Land severances 604-5.  
Loans/grants, industries 130-1, 139-40.

Municipal planning/studies 603-5.

Oil/gasoline prices 356, 388-9, 409-10.

Planning, industrial 29-31.  
Price differential, regional 356, 409-10.  
Price freeze, oil 445-6.  
Pulp/paper companies 30.

Safety, occupational 244-5.  
Strike, paperworkers 181.

Trade missions/offices 93-4.

Workers, women 317-8.

## **Williams, J. (P.C., Oriole)**

Business Incentives Programme 141.

Commission, Hydro planning 467-8.  
Committee, Hydro rates 468.  
Committee procedures 72.

Development Corporation, Ontario 141.

Energy boards 466-8.  
Experience '75 117.

Industries, service 78.

Loans/grants, industries 141.

Mercury poisoning 51-2.

Ontario Place 125.

Parks, industrial 66-7.  
Pulp/paper companies 52.

Trade/convention centres 116.  
Trade fairs 95.  
Trade missions/offices 67-8, 120-1.

Youth employment programmes 617-9.

## **Wronski, W. (Housing)**

Commission, Niagara escarpment 556-8.  
Committee, Townsend planning 628-9.

Farms/farm lands 637, 647.



Hearings, development control 557.  
Housing approvals 600.  
Housing/land prices 648.  
Housing, mobile 626.

Land development, Vaughan housing 647.  
Land, serviced 544-5.  
Land severances 600, 604, 633.  
Land use/planning 544-5, 607, 627, 633,  
637-8, 644-5, 647.  
Loans/grants, municipalities 603.

Municipal Board, Ontario 601.  
Municipal planning/studies 544, 601, 603-4,  
606-7, 619-20.

Pickering North project 637.

Regional municipality, Durham 642.  
Regional municipality, Haldimand-Norfolk  
607-9, 628-9.

Townsites, new 607-9, 647.

Youth employment programmes 618-9.

Zoning/rezoning 545.

## York, P. A. (Industry and Tourism)

Imports/exports 40.

Motor vehicle/parts industry 45.

Research, industrial 45.























BINDING SECT. AUG 18 1960

GOVT PUBNS



3 1761 11466852 8

